Livelihoods and Food Security Trust Fund

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Annual Report 2012

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Acknowledgement

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Disclaimer

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Abbreviations and Acronyms

ACIAR	Australian Centre for International Agricultural Research
ACTED	Agency for Technical Cooperation and Development
ADRA	Adventist Development and Relief Agency
ACF	Action Contre La Faim
AVSI	Association of Volunteers in International Service
AYO	Ar Yone Oo Relief and Development
BLO	Better Life Organisation
Cenfri	Centre for Financial Regulation and Inclusion
CAEDP	Community Agro-economic Development Platform
CBO	Community-based organisation
CDA	Community development association
CDN	Consortium of Dutch NGOs
CESVI	Cooperazione e Sviluppo (Cooperation and Development, Italian NGO)
CSO	Civil society organisation
CWP	Countrywide programme
DAR	Department of Agricultural Research
DC	Donor consortium
DFID	Department for International Development
DoA	Department of Agriculture
DPDO	Disabled People's Development Organisation
DRR	Disaster risk reduction
EGG	Evergreen Group
FAO	Food and Agriculture Organisation
FEG	Farmer extension groups
FFS	Farmer Field School
FIND	Financial Inclusion for National Development
FMO	Fund Management Office
FPE	Farm producer enterprise
FSIN	Food Security Information Network
FSWG	Food Security Working Group
GIS	Geographic information system
HAI	HelpAge International
HH	Household
HKI	Heller Keller International
ICAP	Integrated community action plan
IGA	Income-generating activities
IPM	Integrated Pest Management
IRC	International Rescue Committee
IRRI	International Rice Research Institute
IWMI	International Water Management Institute
LAMP	Land Administration and Management Programme
LEAD	Link Emergency Aid and Development

Abbreviations and Acronyms

LEARN	Leveraging Essential Actions to Reduce Malnutrition
L&I	Learning and Innovation
LIFT	Livelihoods and Food Security Trust Fund
LoA	Letter of Agreement
M&E	Monitoring and Evaluation
MADB	Myanmar Agricultural Development Bank
MAP	Making Financial Access Possible in Myanmar
MARC	Myanmar Access to Rural Credit
MAS	Myanmar Agriculture Services
MBCA	Myanmar Business Coalition on AIDS
MCS	Myanmar Ceramics Society
MDG	Millennium Development Goal
MERN	Mangrove and Environmental Rehabilitation Network
MFI	Microfinance Institution
MKLDO	Mawkkon Local Development Organisation
MMSE	Myanmar Microfinance Supervisory Enterprise
MoAI	Ministry of Agriculture and Irrigation
MoSWRR	Ministry of Social Welfare, Relief, and Resettlement
MoU	Memorandum of Understanding
MSN	Mangrove Service Network
NGO	Non-governmental organisation
PIP	Pumped irrigation project
RCT	Randomised control trial
PwDs	People with disabilities
SDC	Swiss Agency for Development
SEZ	Special economic zone
SHG	Self-help group
SLRD	Settlement and Land Records Department
SMM	Shan Maw Myay company
SPPRG	Social Policy and Poverty Research Group
SRI	System of rice intensification
TLMI	The Leprosy Mission International
TSTTA	Tar Shwe Tan Tea Association
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
VDC	Village development committee
VfM	Value-for-money
VSLA	Village Saving and Loan Association
VVG	Village vegetable group
WFP	World Food Programme
WHH	Welthungerhilfe

Executive Summary

This annual report describes LIFT's progress in 2012 across the four main regions of Myanmar where LIFT activities operate. These include the Ayeyarwaddy Delta, the coastal region of Rakhine State, the central dry zone (including Mandalay, Magway and southern Sagaing Regions), and the hilly region of Chin, Kachin and Shan States. LIFT works in 12 states/regions and 99 townships.

The operating environment for LIFT changed significantly in 2012. The rapid implementation of the government's reform agenda included the passing of a number of laws important for rural food security and livelihoods, including Farmland Bill, the Vacant, Fallow, and Virgin Land Management Bill, the Microfinance Law (passed in November 2011) and the Ward and Village Tract Administration Law. The international community moved forward with its own reforms, removing important trade sanctions and easing restrictions on working with the Government of Myanmar.

These reforms created new opportunities throughout the year for LIFT to engage more actively with the government. Implementing partners reported that government agencies at the township level are showing a more active interest in their programmes and a wish to be involved to the extent their capacity allows. Some IPs also reported much closer engagement with government at the national level on important national policies related to social protection and gender. The LIFT Forum on the Priorities in Agriculture Development of Myanmar in December received strong support from government; the event was held in partnership with the Ministry for Agriculture and Irrigation (MoAI), the Ministry for National Planning and Economic Development (MNPED), and FAO.

Chapter 2 provides an account of LIFT's overall progress against its activity, output and purpose-level indicators. To the end of 2012, LIFT-funded projects had reached 374,000 households or roughly 1.8 million people. From aggregating IP reports, 25,000 households are estimated to have achieved increased income through agriculture-related LIFT support (more than the milestone target of 20,000 households). Only 3,300 households are estimated to have achieved increased income through non-agriculture-related support (22% of the milestone target). LIFT will conduct a large-scale household survey in 2013, which will triangulate these results and enable more investigation of which LIFT-funded activities have contributed most to increased household income.

Reporting against LIFT's output indicators suggests mixed progress. Based on aggregated IP reports, approximately 9,400 households (of the 20,000 target) have achieved agricultural productivity gains of at least 5% and 14,800 households (of the 40,000 target) have increased food security by at least one month[1]. In total, 43,200 households received income from CfW, but fewer than 50% of them reported that the CfW they received was "timely and effective" and only 10,000 households reported that the CfW income reduced the number of food deficit months or days that they typically have each year. An even smaller number of households (1,900) reported being able to invest the CfW income in productive activities. These results suggest that the employment generated through LIFT-funded CfW provides some food security benefits, but these benefits are limited, possibly because the number of days of employment generated for each household is too

1 *This does not include households that achieved increased income from CfW activities because the income from LIFT-supported CfW is usually for a short duration and is unlikely to lead to medium- or long-term improvements in food security.*

few and/or because the employment is not regular or predictable enough.

All of the results reported in Chapter 2 (and also in Chapter 3) have been aggregated from data reported by IPs. While the data has been cross-referenced wherever possible with information from the Fund Manager's field trips and the studies it has conducted, the data should still be treated as estimates with significant potential error margin. This is because the measuring methods used differ between IPs, as does the quality and uniformity of measurements. Once the follow-up household study is completed in 2013 it will be possible to report more reliable progress against all the LIFT log frame indicators.

Chapter 3 discusses a number of themes, challenges and design approaches that were of particular note from the implementation of LIFT's 44 on-going projects in 2012[2]. These are discussed according to the respective agro-ecological zones in which they are implemented. In the Delta, LIFT is funding thirteen complementary projects designed mainly to strengthen the rice value chain. To address the lack of quality seeds available to Delta paddy farmers, LIFT contracted IRRI to support three other partners to increase the availability of new varieties of paddy seeds and to identify appropriate crop management technologies that could be adopted by small-holder farmers. LIFT partners increased their seed production output substantially in 2012 (to roughly 23,500 baskets), but this is sufficient for only 15,000 acres at best, only about 4% of the area planted with monsoon rice in the three townships of the Delta where LIFT currently operates. Scaling up the activities is hampered by a lack of agreed protocols and rigorous quality control of seed growers. Participatory varietal selection activities are progressing well; 16 high-yielding salt- and submergence-tolerant varieties were tested by IRRI in 2012. This work will be extended to 20 varieties in 2013.

In the Dry Zone, most LIFT projects were about half way through their three-year implementation period by the end of 2012 and all projects are making reasonable progress. Six LIFT partners implement projects using a community development approach and the key lessons emerging so far are: the experience and skill of village-level facilitators is a key success factor, but many NGOs rely on young and inexperienced staff with only superficial training in community mobilisation and facilitation activities; this is exacerbated by the broad portfolio of activities implemented by many IPs as village-level staff often feel overwhelmed; IPs have developed, and are using, some interesting participatory planning tools, which may provide examples for wider scale up; and, providing support to communities in cash appears preferable to support in kind. Progress was made in improving access to markets for farmers, although the activities remain limited in scale. One activity with potential for scaling up is the establishment of commodity exchange centres. MBCA has already established two new centres, one of which appears to be successful enough that traders are sharing the cost of buying land and constructing a permanent building for the centre. Farmers also report that the centres provide an opportunity to get significantly better prices for their produce.

LIFT struggled in 2012 with the design of a planned new Dry Zone programme. The Dry Zone's size (14 million people) and its heterogeneity, combined with the lack of reliable household data on poverty at even the township level, have made it difficult to identify a geographic or thematic focus for the programme. Moving forward on the design of the programme will be a high priority for 2013. As a contribution to the planning process LIFT contracted the International Water Management Institute to conduct an assessment of how much water is available for both domestic and agricultural use, the key constraints to availability and access, and household mitigating and coping strategies.

In the Hilly Region, LIFT-supported Farmer Field Schools are achieving some success, increasing crop yields by up to 100% through the introduction of improved agricultural practices. The key factors that appear to be influencing the success of the FFS are: ensuring that curricula are sufficiently adapted to local conditions and the priorities of farmers; ensuring good-quality learning materials are available to farmers; identifying and supporting FFS "champions" in the community; employing FFS facilitators that have a sufficient theoreti-

2 Figures reported in Chapter 3 do not include results from the 22 one-year projects (all now completed) in the Delta (i.e., the projects in LIFT's so-called Delta 1 programme).

cal grounding in agronomy; and linking the FFS to government extension agents wherever possible. More capacity building for project staff is necessary to ensure the required technical skills and teaching methods are applied to FFS.

The main focus for the Coastal Region over the year was the design of a new $22m LIFT programme (called Tat Lan), which will be implemented in four townships of Rakhine State. Two outbreaks of ethnic violence during the year caused delays and complicated the design, but by the end of the year LIFT had selected an NGO consortium led by the International Rescue Committee as the partner for implementation. Tat Lan marks a significant shift for LIFT in the approach used to design the activities it funds. Rather than seeking project design submissions from a range of prospective implementation partners, Tat Lan was designed and competitively tendered as a single intervention based on a needs analysis and design led by LIFT with strong support from the FAO Investment Centre. The programme has a significant community infrastructure component, including restoration of embankments and sluice gates, renovation of village ponds and construction of alternative surface water catchment systems. The programme will work on improving productivity and resilience in the rice system while stimulating diversified crop production. There is a modest fisheries component with village-level fishery groups and a major emphasis on access to financial services through VSLAs.

Chapter 4 discusses progress for the four LIFT outputs that have a national scope (i.e., that are not specific to any of the agro-ecological zones covered in Chapter 3). The first section covers LIFT's work specifically intended to strengthen the capacity of civil society (Output 5). In aggregate, an estimated 10% of the budgets of LIFT-funded projects are explicitly allocated to civil society strengthening. To date, LIFT IPs report that they have improved the skills of 27 local NGO partners (of 32 local NGO partners supported). Nearly all IPs work directly or indirectly with village-based organisations and collectively IPs reported providing training to members of 4,700 CBOs, 28% of which they judged to have applied some of the training in LIFT-funded activities. However, there is little data to support these claims and further work will be needed to verify the achievements. Nonetheless, some indications of positive impact, collected as part of a consultation with LIFT's local CSO partners in 2012, are described in the report and LIFT's Qualitative Social and Economic Monitoring project, which conducted detailed focus group discussions in 40 villages, also reported positive findings.

A number of important challenges with respect to civil society strengthening are emerging from IP reports and Fund Manager monitoring visits. First, in some organisations only staff members working on LIFT-funded activities tend to be trained (with LIFT resources). The Fund Manager believes that it is unlikely that investments only in LIFT-funded staff will promote organisational capacity as a whole. Second, most 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. Lastly, many organisations report that skilled trainers are hard to find, and that some of their training was poorly delivered. LIFT will conduct a study on the effectiveness of capacity building by LIFT's partners in 2013.

LIFT's key M&E activities and their contributions to programme and policy development (Output 6) are also discussed in Chapter 4. There are ten LIFT-funded projects with a national scope, all of which have strong programme and policy development components. The selection and funding of these projects was done through two new funding mechanisms within LIFT: the Learning and Innovation Window, and the Financial Inclusion Window. Establishing these windows reflects LIFT's commitment to evolve with the changing operating context. The Learning and Innovation Window enables LIFT to respond relatively quickly to innovative ideas from NGOs, UN agencies, academia, and the private sector, and has already increased LIFT's investment in applied research and policy analysis. The Financial Inclusion Window, which was established in response to the passing of the Microfinance Law in November 2011, reflects LIFT's firm belief that the lack of rural financial services is one of the main impediments to improving livelihoods and food security for the poor. The Window enabled LIFT to scale up financial services in 2012[3] and begin support to the government for developing a new national strategy for financial inclusion.

A summary is provided of the studies and evaluations conducted by LIFT in 2012, including LIFT's Baseline Study, Qualitative Social and Economic Monitoring (QSEM), LIFT's Interim Review, and the Mid-Term Review of LIFT's on-going projects in the Delta, the Dry Zone and some parts of the Hilly Region (the projects referred to as Delta 2 and Countrywide programmes). While still being analysed at the time of writing, some preliminary results of the Mid-Term Review have been captured in the annual report. The report of the first round of QSEM fieldwork was published in October 2012. The fieldwork for the second round of research started in November 2012.

The analysis and publication of the LIFT Baseline Study was completed in 2012[4]. The study surveyed 4,000 households in the Dry Zone, Delta, Coastal Region and Hilly Region and highlights the situation of the poorest and landless households. A follow-up household survey is planned for 2013 and will enable a more rigorous analysis of LIFT's achievements than is possible through the aggregation of data reported by IPs. The quality of the data that LIFT is gathering from the IPs every six months is still not where it could be. Incomplete submissions and different interpretations of the indicators make it difficult to compare and aggregate the data. Also, the M&E systems of many IPs are not set up to track all the LIFT output- and purpose-level indicators rigorously. For example, only a few IPs are able to measure changes dietary diversity and asset index scores.

Also in Chapter 4 is a report on the allocation of LIFT funds (Output 7) by agro-ecological zone and by the funding mechanisms used to allocated funds (through the so-called Delta I, Delta 2, Countrywide, Direct Grants, Learning and Innovation, and Financial Inclusion mechanisms). The final section of the chapter reports on fund flows and partner performance (Output 8). The Fund Manager introduced a system of "traffic light" status indicators, which it uses to identify high-risk grants. From the analysis, 14 projects were rated overall as high risk. The main issue with almost all projects identified as high risk was slow implementation, but both reporting timeliness and completeness have also been problematic for many partners, which makes complete and timely reporting difficult for the Fund Manager. Only 61% of projects submitted annual reports on time. On a positive note, partners have generally been good at completing post-audit actions as agreed with LIFT (i.e., implementing their Audit Action Plans). This indicates that most partners have strengthened their internal controls since they were audited in 2011.

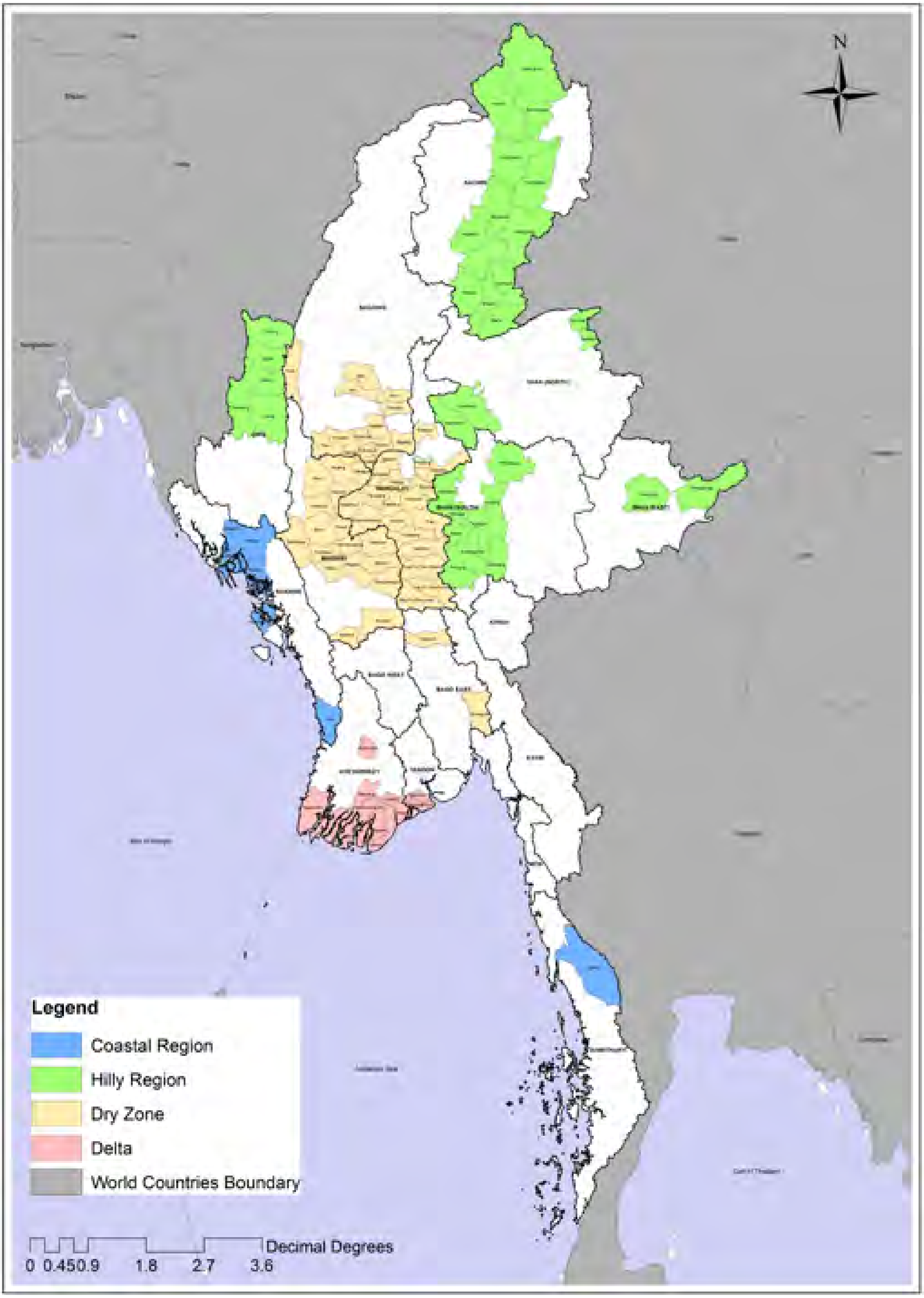
Chapter 5 discusses lessons pertinent to the technologies and implementation approaches used by LIFT and its partners. The lessons provide some insight into some of the challenges that need to be overcome in working with farmers and communities as they endeavour to chart their way to a more sustainable livelihood. Six lessons are highlighted:

1. The intensification of the rice cropping system in the Delta will be slow.
2. To be effective, farmer field schools must be tailored to specific local conditions.
3. Farmers are ready to buy seed they can trust.
4. Access to markets, more than market information, is a major constraint on farmer incomes.
5. Collective action at community level is common, but relatively few CBOs work on livelihoods-related issues.
6. Currently, there are limits to what functions farmer organisations are willing and able to take on.

Chapter 6 provides information on the main communications activities of LIFT and a report on finances. As of 31 December 2012, donor contributions totalled US$ 166 million. LIFT expenditures in 2012 totalled $31.6m against a budget of $37.2m.

3 *LIFT partners disbursed loans to over 50,000 households in 2012, compared to 3,640 households in 2011.*
4 *The field work was done in September and October 2011.*

TOWNSHIPS WITH LIFT-FUNDED ACTIVITIES BY AGRO-ECOLOGICAL REGION



1. Introduction

This report describes the activities funded by the Livelihoods and Food Security Trust Fund (LIFT) for the period of January through December 2012. The report describes LIFT's progress across the four main regions of Myanmar where LIFT is operational: the Ayeyarwaddy Delta, the coastal region of Rakhine State, the central dry zone (including Mandalay, Magway and southern Sagaing Regions), and the hilly region of Chin, Kachin and Shan States. As of 2012, LIFT is working in 12 states/regions, 36 districts and 99 townships across the country. Please see Annex 3 for the full list.

1.1 Context

The political transformation in Myanmar, overseen by President Thein Sein, continued rapidly in 2012: The National League for Democracy's (NLD) official registration as a political party was formalised in January and the party's leader, Daw Aung San Suu Kyi, won a bi-election giving her a seat in parliament; a number of former exiles returned to participate in the country's transformation; ceasefire agreements were forged; press restrictions were relaxed; and, additional political prisoners were released.

The government's reform programme led to at least 30 new laws being issued or revised, including new laws on land, microfinance and village administration, all of particular relevance to LIFT:

- *Land laws*: In March 2012, two new land laws were passed by Parliament, namely the *Farmland Bill* and the *Vacant, Fallow, and Virgin Land Management Bill (VFVLM Bill)*. The *Farmland Bill* enables farmers to acquire Land Use Certificates that can be sold, mortgaged or leased (lessors can include foreign investors, subject to the approval of relevant government departments). According to the *VFVLM Bill*, foreign investors involved in joint ventures with Myanmar companies or with the government can apply to use land that is currently not in use. The laws have been criticised for not recognising customary rights as well as the weak protection they offer regarding the rights of smallholder farmers and the rights of women to register and inherit land. The laws seem designed primarily to foster promotion of large-scale agricultural investment. The laws also retain some de-facto government control over the crop choices of farmers[5].
- *Microfinance law*: The institutional framework for microfinance institutions (MFIs) has been almost completely reformed since late 2011. The most notable regulatory reforms are the Microfinance Law (passed in November 2011), the Directives and Instructions 1&2 (23 December 2011) from the Microfinance Supervisory Committee, and Directive 1 from the Microfinance Supervisory Enterprise (23 December 2011). The new law and accompanying regulations allow local and foreign investors to establish privately owned MFIs, effectively legalizing the widespread provision of micro-finance activities for the first time. In accordance with the new law, the Myanmar Microfinance Supervision Enterprise (MMSE) was created to supervise and issue licenses for microfinance services. In 2012, the MMSE issued microfinance licenses to 130 organisations including cooperatives, local private companies, and local and international NGOs. Among them are LIFT partners, Pact, Save the Children, and GRET. The services of other licensed microfinance institutions mainly focus on urban and peri-urban areas. Despite the positive developments, there are a number of concerns with the Microfinance Business Law and its regulations and amendments may be required to clarify the roles of various institutions in the regulation

5 *Legal Review of Recently Enacted Farm Law and Vacant, Fallow and Virgin Lands Management Law, Food Security Working Group's Land Core Group, November 2012.*

and supervision of microfinance and to provide the microfinance supervisor with adequate authority and tools[6].
- *Ward and Village Tract Administration law*: In 2012, the government promulgated a new Ward and Village Tract Administration law, which requires that all village officials be elected. This act will also formally recognize the village elders and respected persons. The law stipulates specific terms for the ward and village tract administrator (three years), sets clear guidelines for the first time on how administrators should be elected, and specifies that administrators will be paid (unlike previously)[7].

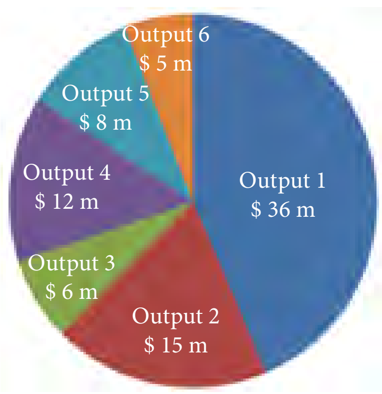
In 2012, foreign governments and donors also introduced important policy reforms related to Myanmar. On 23 April 2012, the European Union agreed to suspend most of its sanctions against Myanmar and many other countries eased or lifted their own sanctions. These reforms created new opportunities for LIFT to engage more actively with the government and the private sector, and to consider different funding modalities. There was also a significant increase in both the amount of development assistance to Myanmar and the number of foreign aid-related organisations operational in the country, increasing the challenges of maintaining good coordination amongst development partners. Two new donors joined the LIFT donor consortium[8].

1.2 Background of LIFT

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

The overall goal of LIFT is to contribute towards Myanmar's achievement of Millennium Development Goal 1[9]. The Fund aims to increase food availability and raise incomes for two million target beneficiaries. LIFT also aims to be a collective and influential voice, promoting programme coherence, innovation, and learning, and to provide a platform for enhanced policy engagement on agriculture, food security, and rural development in Myanmar. LIFT is expected to continue operations until at least the end of 2016.

Allocation of project funds by LIFT programme output



LIFT is working to deliver the following programme outputs:
1. Increased agricultural production and higher incomes supported through improved production and post-harvest methods, and improved access to inputs and markets.
2. Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment.
3. Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods.

6 *In particular, the following concerns have been identified: a) the definition of microfinance used in the law is currently too broad for regulatory and supervisory purposes; b) supervisory authority over microfinance institutions needs to be clarified; c) there is a need for a standard chart of accounts and improved financial reporting format for MFIs; d) supervision of deposit taking MFIs (which require stricter regulation) needs to be clearly differentiated from non-deposit taking MFIs; e) reporting requirements on social performance and development outcomes need to be enhanced.*

7 *Implementation of the law has not started in most LIFT areas. Analysis provided by Susanne Kempel. See also "Village Institutions and Leadership in Myanmar: A View from Below" by Myanmar Development Research and Susanne Kempel, 2012*

8 *France and the United States of America.*

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

4. Effective social protection measures supported to increase the incomes, enhance the livelihood opportunities, or protect the livelihoods assets of chronically poor households.
5. Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.
6. Monitoring and evaluation evidence and commissioned studies used to inform programme and policy development.

Additionally, LIFT strives to deliver the following management outputs:

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

2. Results

The LIFT log frame presents the goals, purposes, and outputs that the programme intends to achieve over its lifespan. For each of its 19 indicators linked to programme outputs, LIFT has set a target it expects to achieve by the end of the programme in 2016, in addition to setting several interim milestone targets. Most of the LIFT indicators are at a results level: they refer to behavioural or systemic changes at the household or organisational level. The LIFT log frame is a dynamic document, which has been revised several times since its inception and is regularly reviewed and updated.

In terms of measuring results, LIFT uses a number of sources of information that allows it to track the progress made against the different log frame indicators. Reports from LIFT implementing partners (IPs) and household surveys are the most important sources of information. In 2011, LIFT conducted a baseline survey that covered the different agro-ecological zones where LIFT is working or intended to work in the future. In 2013, LIFT will conduct a follow-up household survey, and in 2015 or 2016 the programme will implement a final household survey. The information gathered from the surveys will give a clear indication of the changes at the household level, and the results of training and capacity building at the household and farm level. As of 2012, only the baseline household information is available, thus LIFT is not yet able to track the progress on the indicators using household survey information.

However, to provide an indication of progress for this report, and for making programmatic decisions, LIFT has used various reports, including the mid-term and annual reports of IPs, the *Qualitative and Socio-Economic Monitoring (QSEM)* report, field notes and reports of the Fund Manager, and information from the recently-conducted mid-term review of most of LIFT's on-going projects.

Each IP project has its own log frame, which is linked to the LIFT log frame. IPs often use more and/or different indicators depending on the particular type of project being implemented. LIFT requests IPs to report every six months on the progress they have made against those LIFT indicators that are relevant to their project and included in their log frame. This reporting does not offer a complete picture because not all IPs track indicators on a regular basis[10]. Data are gathered from active projects of the Countrywide[11], Delta 2 programmes[12] and the two direct grant projects in the Delta region[13]. The cumulative figures include those data from the Delta 1 programme[14], that was provided by IPs. Beginning in 2013, LIFT will include the IP

10 This is not necessarily an error of the IPs as it is not always feasible or desirable to measure indicators linked to income, productivity, or food security on a regular basis, given the investment and effort required to do it rigorously

11 In the Countrywide programme (CWP), 16 IPs are implementing three-year projects in three agro-ecological regions: the Dry Zone (11 IPs), the Hilly Region (7 IPs) and the Coastal Region (2 IPs). The first of the three-year projects in the CWP started in November 2010; the last project will run until June 2014.

12 In the Delta 2 programme, 11 IPs are implementing three-year projects in three townships in the Ayeyarwady Delta.

13 The two direct grant projects are being implemented by Oxfam and by ActionAid.

14 In the Delta 1 programme, 22 IPs implemented one-year projects mainly focused on rehabilitation and recovery. Up to the end of 2012, the total beneficiary households in the Delta and Countrywide were 373,520 including households in Delta I (153,808 HH) and Delta II (57,495 HH) although many of the households in the Delta have been targeted by IPs in both the Delta I and Delta II programmes. The Delta I programme ended in 2011.

projects from the Learning and Innovation Window, the Financial Inclusion Window, the Financial Inclusion Window, and the Tat Lan programme in the LIFT log frame indicator tracking.

Results aggregated from the IPs' data reporting should be treated as estimates with significant potential error margins because the measuring methods differ between IPs, as does the quality and uniformity of measurements. Some IPs have invested in survey work, while other IPs rely mainly on village-level information collected by field staff. Not all indicators are understood in a similar manner by the IPs. These limitations need to be taken into account in reading this report and in particular when assessing the results reporting in Sections 2.1 and 2.2.

From analysis of the data received from IPs, a number of issues have emerged:
- a lack of shared understanding amongst IPs on the definition of some indicators;
- a lack of standardised tools for measuring some indicators;
- the limited capacity of some IPs to measure results indicators; and,
- a need for a greater consistency between the log frame of LIFT and those of the IP projects.

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

Table 1: Summary of purpose-level indicators and estimated progress

Indicator*	LIFT log frame target at 2016**	Milestone 1 2012	Achieved to Dece 2012***	% achieved against milestone 1
P1: Number and % of target households with increased (agriculture, fishing, livestock, enterprise, etc.) incomes@	130,000@@ (60% of 220,000 hhs)	20,000	25,400	127%
P2: Number and % of target households with at least 5% agricultural productivity gains	130,000 (60% of 220,000 hhs)	20,000	9,400	47%
P3: Number and % of target households with increased and/or diversified food consumption	240,000 (60% of 400,000 hhs)	40,000	13,200	33%
P4: Number and % of target beneficiaries with an increase in food security by > one month	240,000 (60% of 400,000 hhs)	40,000	14,800	37%
P5: Number and % of target households with increased assets (gender disaggregated)	120,000 (50% of 240,000 hhs)	25,000	26800 (3,700 female-headed)	107%

**The same household can be counted in P1, P2, P3, P4, and P5.*
*** These milestones reflect both the progressive increase in numbers of farmers reached by partner projects over the years of LIFT implementation and farmers' gradual adoption of new technologies. Farmers are quick to learn and slow to adopt and according to Everett Rogers new technologies &/or improved practices will be adopted by the targeted farmers slowly but gradually. Practices such as seed selection and plant spacing are considered as a new technology, it is not necessary that farmers adopt whole new packages such as System of Rice Intensification (SRI).Experiencing the benefit of new technologies, others will start accepting new technologies and at the end of project it will rise up to 60% among the targeted households.*
****Numbers reported here should be treated as estimates with significant potential error margins because tracking methods used differ between IPs, as does quality and uniformity of measurements. More reliable data will be available from the upcoming household survey.*
@Under purpose level indicator (P1), twenty six projects reported that beneficiary households increased their incomes due to LIFT's interventions. However 17 projects out of the 26 projects that reported under P1 did not identify the percentage increases in household's income. Six projects reported increased household incomes between 10-20% and 3 projects reported that household income rose by 30% due to LIFT's interventions.
@@ 130,000 households is the projected target of 60% from existing and future IPs projects. In December 2011, LIFT's proposals had a total value of $74m. Targets have then been increased pro rata to reflect new projects from increased LIFT funds that are expected to total $160m. $10m of this is expected to be spent on research activities (and will not directly impact households). As a result target and milestone estimates from proposals in hand at Dec 2011 have been doubled to reflect an increase in projects from those budgeted at $76m to include future projects funded under the $150m envelope ($160m less $10m).

Purpose indicator 1: Number and percentage of target households with increased incomes

While there was considerable variation between LIFT's IPs, the total estimated LIFT achievement exceeded the milestone. The most commonly reported problem encountered by LIFT projects, in terms of increasing farmer income, is the lack of affordable and flexible agricultural finance. The lack of affordable credit means that inputs (e.g., seeds, fertilizer, labour) are very high. The lack of flexible credit means that most farmers (even if they have access to credit at affordable interest rates) have to sell their paddy and other crops immediately after harvest when prices tend to be lowest. These problems, and the innovative agricultural financing systems being piloted by LIFT-funded projects, are discussed in chapter 3 of the report.

Changes in income over the short term are subject to many influences that are outside the activities implemented by LIFT IPs. With regard to 2012, the following factors were reported by partners to have been particularly important:

- Poor rainfall in parts of the Dry Zone leading to greater outmigration and local labour shortages at important times in the agricultural calendar
- A strong Kyat (relative to US$), which makes exported agricultural products relatively expensive
- Lower-than-usual rainfall in the Dry Zone[15] leading to poor crop yields and low water levels in rainwater catchment ponds (some ponds may be dry in early 2013)
- Unusual and heavy rains in November and December in the Delta
- Communal violence (in Rakhine) and armed conflict (in Kachin)
- Pest infestations in some locations

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

Current LIFT partners working to increase productivity among target households report they have helped 9,400 households (47% of milestone target) to increase farm productivity by at least 5%, although only ten LIFT partners provided data for this indicator in their 2012 annual reports[16].

Table 2: Agricultural productivity gains reported by implementing partner

Implementing partner	No. of households with > 5% increase in agricultural productivity	
	3 year plan	Reported to date
Mercy Corps (Countrywide)	1,500	3,410
Metta Foundation	5,000	3,094
Radanar Ayar	2,100	616
DPDO	680	457
LEAD	1,110	425
Oxfam	2,322	415
SWISSAID	1,060	403
MERN	890	310
CESVI	3,000	239
Other partners	8,325	40
Total	26,000	9,400

15 The 2012 monsoon rains were among the lowest in the past two decades. Instead of the normal 30 inches of rain, many areas of the Dry Zone received 17 inches. (Data from Proximity Designs, based on MAS officers in the Dry Zone in conjunction with the Department of Meteorology and Hydrology.) This is also corroborated by the QSEM 2 report, 2012.

16 Eighteen LIFT IPs are engaged in agricultural activities designed to increase agricultural productivity. (Sixteen have targets for this indicator, and three have no target set, but they work in agriculture.)

Most of the agricultural productivity gains reported were linked to FFS activities that included distribution of improved seeds and fertilizers, introduction of pest control practices and post-harvest management practices[17]. Mercy Corps' agriculture extension system is intermediate between farmer-led-extension and FFS and implemented in three different agro-ecological zones (Chin, Rakhine, and Dry Zone). There were a variety of planting and harvesting techniques used.

Some of the results reported in Table 2 only partially reflect the IPs' progress (e.g., Oxfam's data is for chickpea and sesame production only; no data is available yet for monsoon paddy and livestock activities) and some IPs have not reported at all on this indicator as reporting on this indicator requires significant survey work that is not done by all IPs on an annual basis.

Although FFSs (Metta, SWISSAID, and CESVI) faced several challenges, but methods taught seem to have been adopted by up to 60% of farmers. A more detailed discussion of the lessons emerging from FFS implementation is provided in the section on the Hilly Region in Chapter 3.

There have been no gains reported in livestock production yet. Projects that provided animals to groups or individuals introduced methods (chicken houses, vaccinations, etc.) that have not yet resulted in measured productivity gains.

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

The LIFT log frame milestone was to help 40,000 households increase or diversify their food consumption in 2012. Partners report reaching 13,200 households, but the numbers reported should be viewed with caution. Only two of LIFT's IPs, Mercy Corps (Countrywide) and SWISSAID, based their results

17 Beneficiaries of microfinance are not captured by this indicator as microfinance log frames measure increases in income and not agricultural productivity gains.

on surveys and evaluations. Mercy Corps reports that 4,871 households (target was 5,945) had increased or diversified their food consumption. SWISSAID reports from its survey that 276 households increased or diversified consumption (target was 243). LIFT's other IPs did not conduct surveys and offered only estimates.

Assessing whether higher incomes resulted in a better diet has proven problematic for some IPs[18]. Many LIFT partners are not trained in surveying food consumption and nutrition-related issues and there are only a few partners, such as Save the Children, Mercy Corps, and Oxfam that have the necessary tools and expertise to objectively measure the results of this indicator. To measure this indicator accurately requires discussions with beneficiaries about their food consumption, diversity of diet, and food availability. LIFT's Baseline Study collected data for this indicator using internationally-recognized tools. The repeat household survey in 2013 will provide more complete and rigorous data than is reported here.

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

The log frame milestone for this indicator was to increase the food security of 40,000 households by 2012. IPs reported a cumulative achievement of only 14,800 households (37% of the target). However, as with the other purpose-level indicators, the figure reported must be treated with caution. Only SWISSAID and Proximity based their reported figures on a survey. The other IPs reporting on this indicator based their numbers on assumptions of correlation between income and food security. Realistically, this indicator requires an extended survey and focus group discussions to obtain the necessary detail to accurately report on changes in food security. The household survey planned for 2013 will enable more robust reporting on this indicator.

Table 3: Increases in household food security reported by implementing partner

Implementing partner	No. of households with an increase in food security by at least one month	
	3 year plan	achieved
Proximity		4,905
ADRA		2,038
Metta	5,000	2,029
MCS	1,212	1,212
ADRA		1,000
Oxfam/ NAG	1,469	884
Oxfam	4,750	864
MERN	2,400	634
SWISSAID	1,434	622
Others (LEAD, HelpAge, AVSI, ActionAid, CESVI)	12,241	633
Total	28,506	14,821

While the LIFT log frame target for 2012 was to improve the food security of 40,000 households, the cumulative targets for already-contracted LIFT partners was only 28,500 households for improved food security. This implies that LIFT will have to fund a significant number of new projects that specifically address this indicator, or it will have to reduce its targets.

18 Some partners make the assumption that with higher incomes and greater productivity (Indicators 1 and 2) comes an increase and/or a diversification in food consumption. However, this is not necessarily the case; higher incomes and crop yields can also be channelled into education, health, and the purchase of consumer goods.

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

The log frame milestone for this indicator was to increase the household assets of 25,000 households by 2012[19]. IPs reported a cumulative achievement of 26,800 households, but as reported for previous purpose-level indicators, the reported achievement is not rigorously determined because it has been aggregated from IP reports that use a variety of measurement tools. The project most active in building household livelihood assets is implemented by Mercy Corps in the Dry Zone. GRET in Chin, CESVI in northern Shan, and MERN's in Rakhine are also active in building household assets for beneficiaries.

2.2 Output-level indicators

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

Table 4: Results to end 2012 for Output 1 (increased agricultural production and incomes)[20]

Indicator	LIFT log frame target at 2016	Milestone 1 2012	Achieved to Dec 2012	% achieved against milestone 1
O1.1 Number and % of target households aware of new/improved agricultural technologies or techniques	140,000	70,000	60,200	86%
O1.2 Number and % of target households that adopt/use improved agricultural practices (rice, horticulture, livestock, etc.)	100,000	35,000	20,600	59%
O1.3 Number of HH in LIFT-supported villages accessing credit from low-interest microfinance groups, or village savings and loans associations, for agriculture	110,000	60,000	69,000	116%

01.1 Number and percentage of target households aware of new/improved agricultural technologies or techniques

Eighteen of the 44 on-going LIFT projects are involved in the introduction of new or improved agricultural methods[21]. The LIFT milestone for 2012 was 70,000 households; partners reported that they have introduced new/improved methods to 60,200 households to date. Given that most projects have reached their halfway point, the reported achievements are reasonable. Several projects are reporting almost meeting or exceeding their targets. For example, GRET reached 115% of its planned target farmers, ADRA and CESVI met 85%, Metta met 75%, and HelpAge met 56% of its targets.

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

This indicator focuses on the degree to which increased awareness of new agricultural methods has been translated into their adoption and use. The number of households using the improved agricultural practices may also include households that are not directly participating in project activities, but who have adopted the new methods based on observing farmers nearby.

19 The indicator is meant to be measured using a household asset ownership score based on household ownership of a list of 25 assets. This is explained more fully in the LIFT Baseline Survey Results (pp. 72-73).

20 For "Achieved to Dec 2012" column, these are estimates with significant potential error margins because tracking methods used differ between IPs, as does the quality and uniformity of measurements. More reliable figures will collected in 2013 using a household survey.

21 Of the 18 IPs involved in this activity, 14 IPs reported on this indicator.

Sixteen LIFT partners reported that a total of 20,600 households have adopted or used the new methods[22]. This does not include the results from the Delta 1 programme. The Delta 1 evaluation report did not quantify the number of farmers who had adopted new practices, but it did conclude that messages on seed treatment, pest control and soil management were "widely" adopted. The household survey in 2013 will quantify adoption of new agricultural practices across LIFT's projects.

Only SWISSAID and Mercy Corps in their Dry Zone projects were able to base their reports on surveys. Mercy Corps' mid-term evaluation reported that 1,038 households (the overall target was 1,500) adopted at least two improved methods learned in the FFSs. SWISSAID's survey reported that 620 households (out of 994) adopted new methods. Metta's annual report indicates an overall adoption rate of 65% for new methods and 40% for new tools. Only saltwater seed selection has been universally adopted in Metta-supported FFSs. The table below provides more details.

Table 5: New/agriculture technology adoption rates

Region/zone	IP	Adoption of new methods and new tools	Adoption rate
Hilly	Metta Mercy Crops CESVI SwissAid	• The main tools and methods introduced in 2012 were rakes, seeders, and weeders • The new methods: saltwater seed selection, row seeding/ planting, single-plant transplanting, transplanting after four weeks, use of organic pesticides/fertilisers, double cropping, pest management.	Shan 65% (new methods) 40% (new tools)
Dry Zone	ADRA DPDO HelpAge Oxfam	• Chickpea seed multiplication, Soil conservation • Natural fertilizer by making compost • Food processing • Rain water harvesting structures • Seed multiplication for drought-resistant variety seeds • Seed banks to maintain and circulate quality drought-resistant seeds. • Different types of ploughing to conserve soil moisture and fertility • Proper methods of tilling the soil to prevent soil erosion • Green manuring to add organic matter to the soils and improve soil moisture retention • Quality sesame production	11% (natural fertilizer) 29% (Soil conservation) 34% (sustainable agriculture practices) 40% (quality sesame production)
Delta II	AVSI IRRI LEAD Mercy Crops Radanar Ayar WHH-GRET	• Green gram cultivation • Home gardening • Hand transplanting • Fertilizer application • Pest and disease control • Harvesting and post harvesting • Land preparation, germination rate of seed, fertilizer application, pesticide application • Seed production, multiplications and second cash-crops production	90% (green gram) 50% (Home garden) 97% (Hand transplanting) 80% (Fertilizer application) 60% (Pest and disease control) 60% (Post harvesting)

22 Two IPs that have this indicator in their log frame have not yet been able to report against it. Proximity Designs did not provide any detail even though they have set targets for the indicator in their log frame. They noted that their impact team has not done an assessment yet. GRET has regularly collected information on these indicators, but they were unable to process the latest data in time for this report.

Interviews with farmers participating in extension programmes in the Delta conducted for the *Mid-Term Review* suggest that many farmers participating in LIFT-funded projects have adopted hand-transplanting of paddy, though only on an average of 35% of the area sown. Single-plant transplanting, on the other hand, remains very low. There are no surveys to explain why this might be true; however, the FMO's discussions with farmers highlighted that flooding and high labour costs have contributed towards farmer's reluctance to do single-plant transplanting. Single-plant transplanting is more expensive than simple hand transplanting because the skilled labour required is a bit more expensive and it is more time consuming. Both techniques are much more expensive than broadcasting. Further analysis on why farmers do or do not adopt new methods and how to improve adoption rates will be undertaken in 2013.

Considering that LIFT partners target poorer households, which are generally risk averse, the rate of adoption reported by on-going projects (roughly 50%) may be reasonable. (The QSEM 1 report[23] states that poor farmers have more at stake in trying new technologies and so try to limit their risk whenever possible.) Partners using the FFS approach seem to be having reasonable success as farmers have an opportunity to see results and experiment themselves. From LIFT's experience, the key factors influencing adoption of agricultural practices introduced in FFS appear to be (these issues are discussed in more detail in the Hilly Region part of Chapter 3):

- the degree to which the curriculum is specifically adapted to local conditions
- the availability of good-quality learning materials
- the level of training of FFS facilitators
- the existence of FFS "champions" within the community
- established links with government extension agents

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

The projects contributing most to this output are village revolving fund activities implemented by Mercy Corps (Delta), ADRA (Dry Zone), and formal microfinance services provided by UNDP/Pact (Delta, Dry Zone and Hilly Region). Loans were provided to 69,000 households to initiate crop (31%), livestock or fishery activities.

Pact has agreed, partly at the insistence of LIFT, to allow farmers to repay their loans at the end of the lending period. Pact also agreed to increase the loan period from four months to five, to allow farmers more flexibility to repay their loans after harvest time. However, Pact continues to require instalment interest payments. Some members of savings and credit groups have requested that the interest payment schedule move to a monthly basis from fortnightly.

Other issues raised by Pact's MFI agricultural clients include the timing of other lending sources, especially the MADB. Farmers state that MADB loans often come too late to be used for the planting season. They also complain that the lack of storage prevents them from storing their grain until rice prices increase, generally around three months after the harvest. With so few financial options and/or the need to make loan repayments, except where LIFT-funded projects are operating, many farmers must still rely on high-interest loans from private moneylenders.

Under the Countrywide programme, UNDP is working through three microfinance programmes: Pact, Save the Children, and GRET. This was necessary, as only UNDP could officially lend money without collateral in Myanmar. The passage of the new *Microfinance Law* in November 2011 enabled a much larger number of organisations to implement microfinance activities. Under the new law, these three NGOs can now legally lend money directly to villagers.

23 QSEM 1: page 22, paragraph 2.

The Countrywide programme also faced some specific operating issues concerning its microfinance activities:

- security issues in some townships, e.g., Mansi, Moemauk and Kyaukme, and clashes in Kachin State, prevented the project from expanding operations into several new areas;
- limited client potential in Kyaukme and fewer job opportunities in most highland areas resulted in lower-than-expected client numbers in these areas;
- a lack of experienced Shan-speaking field officers was a limiting factor in Shan State; and,
- a lack of business skills in the target communities has led to the suggestion of supporting beneficiaries with skill-development training and marketing after conducting value chain analyses.

Seven IPs also include loans from revolving funds managed by group members[24]. These funds are taken out by group members mainly for agriculture, but also other income-generating activities such as livestock raising, trading and grocery shops, sewing, small-scale food processing, and for health and education needs. In addition, product loans are being offered by Proximity Designs in the Dry Zone. By the end of 2012, Proximity had made three rounds of loans to 6,990 households. This project was not structured as microfinance per se. This was a small, one-time loan to allow the borrower to purchase a treadle pump for irrigation. Twenty per cent of the loans, however, remained unpaid at the end of 2012 because strict credit requirements were not applied. Other lessons learned from the project, which Proximity Designs will apply in its new MFI, include highlighting the prospect of additional loans as an incentive for repayment, being careful to not present the lender as an NGO (i.e., a perceived grant maker), and ensuring that the borrower applies the funds towards an enterprise or commercial activity.

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

Table 6: Results to end 2012 for Output 2 (non-agricultural livelihoods)[25]

Indicator	LIFT log frame target at 2016	Milestone 1 2012	Achieved to Dec 2012	% achieved against milestone 1
O2.1: Number* and % of trained people who establish enterprises (gender disaggregated)	75%	40%	14,300 (M=800, F=13,500)	29%
O2.2: Number of households in LIFT-supported villages accessing credit from low-interest microfinance groups or VSLAs for non-agricultural livelihoods	35,000	15,000	17,800	119%
O2.3: No. of targeted households with an increase in income from non-agricultural activities and/or vocational training	35,000	15,000	3,300	22%

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

This indicator requires either a survey to identify the success rate of the training or a dedicated M&E process at the project level to follow up on training participants at different points in time.

The LIFT log frame's Milestone 1 (2012) aimed that 40% of total participants (24,000) trained would go on

24 Action Aid, DPDO, LEAD, MercyCorps, MERN, Swiss Aid, WHH

25 Under the "Achieved to Dec 2012" column, the estimated people reached could have potential error margins because tracking methods used differ between IPs, as does the quality and uniformity of measurements. More reliable figures will collected by the household survey.

** 02.1 LIFT log frame target at 2016 is 60,000 of trained people who establish enterprises (75% of the total number of trained people of 80,000).*

to establish an enterprise. In total, 49,455 participants received training and 14,300 (29% of 60,000) established enterprises. Fourteen of LIFT partners are engaged in this output and eleven IPs reported under this milestone. Many IPs provided training on tailoring, food preservation and processing, soaping making, masonry and carpentry and repairing motorbikes and cycles. Cumulatively, the eleven IPs reported that 14,300 people who participated in training events established small businesses. Ninety-four per cent (94%) of these are women. This achievement is largely from the small business and microfinance training provided by Pact; 12,700 women (and 252 men) who received training went on to engage in business activities with the help of loans.

Nearly all projects reported high rates of women becoming entrepreneurs subsequent to participating in training. The Disabled People's Development Organisation (DPDO) reported that they initially faced difficulties in encouraging women to participate in training. However, later DPDO reported that 128 women and 143 men took advantage of the training and went on to start their own businesses.

Some partners appear to be significantly behind schedule. For example, ActionAid in the Dry Zone expected 690 new enterprises to be established following their training sessions, but thus far they have reported none. The Myanmar Ceramics Society (MCS) planned for beneficiaries to set up 1,000 new enterprises, but reported that only 144 new businesses were established. WHH/GRET's goal was that beneficiaries would start 300 new businesses over three years, by the end of 2012, 50 new businesses had been established.

The Fund Manager's field visits found that one of the key factors determining the rate of new start-up businesses was the degree to which thorough market analyses and coherent business plans were prepared. CESVI, for example, reported that training on making snacks did not result in many new businesses, while training in making noodles resulted in several successful businesses. CESVI also took care to ensure there was a demand for the skill(s) and that the markets in their hometowns were not saturated.

ADRA trained 1,784 people (in sewing, food processing, carpentry and masonry, auto repair and welding) and 40% of those trained began businesses or were employed in these areas[26]. Among those trained 62% of the beneficiaries that received training in stitching, 41% in food processing and 4% in mechanics established their own business. SWISSAID reported that their sewing trainees are earning $23/month as supplementary income whereas the trainees making and selling traditional Akha handmade purses earned $3/month. Soap making training by SWISSAID and ActionAid/Thadar failed due to lack of raw materials and low local demand for soap.

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

Cumulatively, LIFT partners enabled 17,800 households to access low-interest loans, more than the milestone for 2012[27]. The largest players supporting access to low-interest credit are UNDP/Pact (in the Delta), Pact (in Pyapon), and MCS (in Shan). While UNDP/Pact (Delta) had success with agricultural loans, exceeding their targeted number in terms of the number of clients, it fell well short of its targets for non-agricultural loans. Pact indicated that there was low demand for non-agricultural loans during the monsoon because that is the time when villagers take out agricultural loans and are busy farming. LIFT has contributed, along with other donors, to Pact's establishment of a new microfinance branch in Pyapon Township (in the Delta). Pact reported that they served 4,300 clients from the Pyapon branch compared to their target of 2,500.

26 *ADRA provided start-up kits of US$100 for home tailoring business trainees, but it turned out that US$100 was not enough to buy a sewing machine together with the necessary tools and cloth. Many of the trainees did not wish to take on the risk of starting a business, especially given that the funding provided was insufficient. It also became clear that some villages are geographically too remote from relevant markets. Each of these inhibiting factors could have been determined at the outset if adequate market analysis and business plans had been prepared.*

27 *The IPs and projects that contributed to this output are included in a table in the annex "No. of clients (m/f) benefitted from credit support in 2012".*

MCS did not meet its targets for 2012 because of challenges working with banks to provide loans to kiln owners. The banks have insisted on comprehensive collateral (involving multiple documents) as well as cash security provided by MCS under the project. As a result, MCS was not able to convince the banks to lend as much as anticipated, even though MCS was able to reduce the number of documents required by the bank (to eight). In the end, 22 kiln owners received loans from the bank of US$ 555 per household. The repayment rate was 100% in 2012.

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

This log frame indicator is related to Indicator 2.2 with both indicators having the same final target (35,000 households) and 2012 milestone (15,000 households). However, the reported success rate for this output at the end of 2012 was much lower than for Indicator 2.2. This is because many more IPs reported on the number of people reached with affordable credit than reported on whether incomes increased as a result of the credit.

Only ADRA reported a substantial contribution to this output. The partners that one would expect to be reporting higher incomes from non-agricultural and vocational activities, such as UNDP/Pact (Countrywide and Delta 2) and Pact/Pyapon, have not yet assessed the outcomes of their projects in this regard. In 2013, LIFT will develop an impact assessment system for the microfinance projects that it funds.

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

Table 7: Results to end 2012 for Output 3 (natural resource management)[28]

Indicator	LIFT log frame target at 2016	Milestone 1 2012	Achieved to Dec 2012	% achieved against milestone 1
O3.1: Number of households participating in improved resource management or rehabilitation activities	40,000	8,000	24,700	309%
O3.2: Number of participants trained in sustainable resource management or rehabilitation topics (sex disaggregated) who think the training was useful	To be determined	To be determined	7,000 (M=3,525, F=3,475)	

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

The 2012 milestone for participating in improved resource management or rehabilitation activities was 8,000 households. Ten LIFT partners reported that 24,700 participated in environmental improvement activities (CESVI, GRET, ADRA, HelpAge, MERN, Oxfam, ActionAid/Thadar, LEAD, MSN, and Pact). IPs established tree nurseries, wind shield plantations, regeneration improvement, enrichment planting, community forestry plots, agro-forestry, soil conservation and provision of energy saving stoves.

The Mangrove Service Network (MSN) reported that 8,400 households participated in their natural resource management activities. This result includes both MSN's 10 core villages and 119 peripheral villages, which benefit indirectly from some project activities such as the availability of tree seedlings from the project nursery.

28 *For "Achieved to Dec 2012" column, these are estimates with significant potential error margins because tracking methods used differ between IPs, as does the quality and uniformity of measurements. More reliable figures will collected in 2013 using a household survey.*

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

LIFT's partners reported that 10,300 people were trained in sustainable resource management or rehabilitation topics. The 10 IPs that reported on this indicator reported that 7,000 participants (70%) found the training useful. However, there are differences in how IP's measure this indicator. For example, MERN asks participants to fill in a questionnaire after the training to assess its relevance and usefulness. While LEAD monitors projects after the training to evaluate survival rates of the seedlings, number of trees planted, etc. This data is included in the village development committee's bookkeeping records. Many IPs have reported that farmers are keen to learn how to maintain soil fertility, conserve water, and make compost.

The results for this indicator compared with the number of households participating in improved resource management and rehabilitation activities (Indicator 3.1) suggests that the training is not itself a significant determinant of whether households participate in improved resource management and rehabilitation activities. For example, MSN only trained 916 people, but over 8,000 people actually participated in activities. Similarly, HelpAge reported that although they did not conduct any training sessions on resource management, 2,700 households took part in resource management activities. Conversely, GRET reported that it trained 3,750 people of which only 176 went on to participate in specific resource management or rehabilitation activities. More investigation is required to determine what motivated people to participate or not to participate in resource management/rehabilitation activities.

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

Table 8: Results to end 2012 for Output 4 (social protection measures)[29]

Indicator	LIFT log frame target at 2016	Milestone 1 2012	Achieved to Dec 2012	% achieved against milestone 1
O4.1: Number of households supported by CfW activities that think the intervention was timely and effective	180,000	30,000	21,600	72%
O4.2: Number of households supported with cash/asset transfers that are able to invest in productive activities/assets that increase their income	120,000	50,000	1,900	4%
04.3: Number of households who are able to reduce the number of food insecure months or days	140,000	20,000	9,990	50%

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

The number of households receiving cash-for-work (CfW) payments is readily measured and all projects have done so. But assessing whether the CfW programme was offered at the most appropriate time or was effective is more difficult[30]. Indeed, no LIFT partner conducted surveys in 2012 to rigorously assess the effectiveness of CfW activities. The reported numbers are, therefore, based on estimates made by IPs, so the figure reported above may be an overestimate. On the other hand, only eight of the 11 projects reporting

29 *For "Achieved to Dec 2012" column, these are estimates with significant potential error margins because tracking methods used differ between IPs, as does the quality and uniformity of measurements. More reliable figures will collected in 2013 using a household survey.*

30 *Timeliness here refers to offering cash-for-work opportunities when demand for casual labour is low and when labourer households typically are in food deficit.*

participants in CfW activities reported at all on how many of the participants found the CfW timely and effective, so the reported figure could also be an underestimate.

CfW activities make up a significant proportion of LIFT programming. LIFT has set a target of 180,000 households participating in effective and timely cash-for-work activities by 2016. This makes it particularly important to determine the effectiveness of CfW as a social-protection measure by the application of surveys that capture specific data on impacts and benefits. This might include, but should not be limited to, how households use their CfW wages and what tangible benefit is received (e.g., mitigation of food deficit, improved rural infrastructure, increased access to markets, or providing increased economic activity).

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

None of the LIFT partners have done the necessary surveys to date, and so the reported numbers are estimates based on reports from their field staff working in the villages. Eight partners report reaching 1,900 households against the 2012 milestone of 50,000. ADRA reports that only 54 households of the 2,000 they targeted have successfully reinvested their CfW wages in productive activities. They state that more households have invested in assets, but they do not have any information on the income generated using these assets. Oxfam (in the Dry Zone) reports that out of the 195 households they supported with cash/assets only 43 households reinvested in businesses that made any profit. While these two IP reports do not provide a large sample, their findings support other anecdotal evidence, including evidence collected during LIFT field visits, which illustrates that the income from CfW activities is used mainly to buy food or repay overdue loans. Only when significant amounts are transferred do households start to invest in productive assets and activities.

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

This indicator requires detailed quantitative surveys to establish whether households have met the criteria. As this indicator is interested in social protection measures, only cash transfers and cash-for-work activities are considered. Support for income-generating activities, which could also lead to a reduction of food insecure months, is not included under this indicator.

The LIFT log frame states a 2012 milestone of 20,000 households with reduced food insecure months. LIFT partners report that food insecurity has been successfully reduced for 9,990 households. By the end of 2012, Proximity Designs reported that they assisted 4,900 households in lowering the number of food insecure months. ADRA projects in the Delta and Dry Zone reported that they improved the food security of 3,038 households. The ADRA Dry Zone project reported that 65% of the beneficiaries in each village reduced the number of food deficit months by one to two months. Oxfam also reported reducing the food deficit for 864 households by one month. The project supported those households with cash transfers of US$59, enough to provide food security for one month. Mercy Corps (Countrywide) reported that 62% of targeted households have increased their Household Dietary Diversity Score by at least one point, which implies increased food security, but it does not translate into a specific number of households with reduced number of food insecure months or days.

The LIFT log frame shows that LIFT aims to reduce the number of food insecure months or days for 140,000 households. This number also includes households from the Delta 1 programme. However, there is no data on how many households were able to reduce the number of food deficit months due to LIFT's Delta 1 interventions.

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

Table 9: Results to end 2012 for Output 5 (civil society strengthening)[31]

Indicator	LIFT log frame target at 2016	Milestone 1 2012	Achieved to Dec 2012	% achieved against milestone 1
O5.1 Number of local NGOs better skilled in technical issues, and project and financial management	45	25	27*	108%
O5.2: Number of trained CBOs applying training in LIFT funded activities	10,000	6,000	1,300	22%
O5.3: Number of changes in technical or project management made by local NGOs in LIFT-funded activities				

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

To date, LIFT partners report that they have improved the skills of 27 local NGOs out of a total number of 32 local NGO partners supported. However, there is little data provided to support the claim of improved capacity at either the level of individual staff or the organisations they work for. This is not to say that IPs do not attempt to measure progress. In fact, IPs use a variety of methods to assess changes in capacity of their local partners. The challenge is that the methods used by IPs are seldom rigorous and certainly not standardised to support aggregation and overall analysis.

Table 10: IPs reporting on capacity-building support to their local NGO partners

IP	No. of local partners	No. reported with improved skills	Type of capacity building support provided		Method(s) of assessment used
			Staff training	Organisation development	
Action Aid	12	12	Yes	Yes	FMO observed improved knowledge sharing Evaluated performance and recommended changes
Mercy Corps	3	1	Yes	Yes	Conducted evaluations to assess training effectiveness
Oxfam	2	1	Yes	No	Jointly assessed effectiveness of project during a review workshop
HelpAge	2	2	Yes	No	Regular meetings with the staff. The meetings outcomes are also crosschecked with the beneficiaries.
GRET	2	1	Yes	Yes	Financial performance of MFI

31 For "Achieved to Dec 2012" column, these are estimates with significant potential error margins because tracking methods used differ between IPs, as does the quality and uniformity of measurements. More reliable figures will collected in 2013 using a household survey.

** These numbers are very rough estimates as the Fund Manager has not yet verified this information reported by IPs.*

IP	No. of local partners	No. reported with improved skills	Type of capacity building support provided		Method(s) of assessment used
			Staff training	Organisation development	
MERN	6	6	Yes	No	Conducted evaluations to assess training effectiveness FMO observed improved knowledge sharing
SwissAid	6	6	Yes	Yes	Observed improvements in narrative and financial reports. CBOs have begun networking with govt staff

The above table does not include any assessment of the degree to which any of the 10 local NGOs *directly* contracted by LIFT have increased their own capacity due to the implementation of LIFT-funded projects because local NGO IPs do not report to LIFT on changes in their own capacity. This gap will be addressed in 2013 through a new qualitative research project. At the end of 2012, the Fund Manager identified the "most significant change" story as a monitoring tool that allows participants to identify changes, starting from how the local organisations perceive change and which ones they consider most relevant to their objectives. LIFT will pilot this tool with three IPs in the first half of 2013. The pilot should indicate how useful the tool is and what kind of changes it uncovers. Through the pilot, the Fund Manager should also learn whether this method brings any positive changes in the relationship between the local organisation and the IPs.

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

Nearly all IPs work directly or indirectly with village-based organisations. Collectively, they reported providing training to members of 4,700 CBOs[32], 28% of which they judged to have applied some of the training in LIFT-funded activities. The Fund Manager is unable to verify this assessment. The number of CBOs that have used the training is often the same or similar to the total number of CBOs trained. The reported figures are, for example: CESVI (101 out of 101); HelpAge (30 out of 30); MCS (7 out of 7); ADRA (100 out of 100); and Metta (180 out of 200). With the exception of WHH, Proximity Designs, and Oxfam, all partners report the nearly same number achieved as their target. This probably reflects that the CBO training was completed in target villages, but not that CBOs are applying their training in LIFT-funded activities.

In most cases, IPs measure this indicator during regular field visits and meetings with beneficiaries and CBO members. Only one partner (ActionAid/Thadar Consortium) reported results based on a standardised assessment tool. The tool, which measures capacity of CBOs along six dimensions (having written rules and regulations, having clear roles and responsibilities, process used to conduct and record meetings, transparency of financial management, transparency of decision making process and leadership style) was used with 24 CBOs. Three quarters were found to have met the minimum criteria.

Some IPs, for example CESVI, work closely with the community on a daily basis, allowing them to observe the CBO's progress in applying their knowledge from the training. In addition, VDCs also monitor the village development activities and regularly report to CESVI. To understand and measure the application of training, SWISSAID has started a pilot with a questionnaire on CBO progress, which is completed on regular intervals by the CBO and by the village authorities.

32 *A number of IPs report working with more than one CBO in the same village (especially self-help groups).*

LIFT's QSEM project, which conducted detailed focus group discussions in 40 villages, reported that "Although decision-making on externally facilitated village committees tended to reflect existing social norms, participation in such groups often had a wider social impact. Enumerators observed improved capacities among community institutions and leaders, such as in record-keeping skills and the ability to create links with outside actors and institutions, including with the government sector. Similarly, the study found that many women had become more active and wanted more education."

The LIFT logical framework specifies an overall target of 10,000 CBOs applying training. This no longer seems achievable considering that the achievement reported is 1,300 CBOs, to which we could add a proportion of the 3,450 CBOs that LIFT IPs provided training to in 2010 and 2011 in the Delta 1 programme. A revision in the target will be required.

O5.3: Number of changes in technical or project management made by local NGOs in LIFT-funded activities

There is no LIFT overall target for this indicator and the indicator has proven difficult to measure in practice. Only three LIFT partners reported that they planned and conducted activities for this indicator. ADRA reported that of the five planned changes (for its local partners), their project was able to implement three changes in their Delta project. The technical changes were made in pond design, food-processing techniques, and in the way CfW activities were implemented.

SWISSAID reported that the six local NGOs they work with received management and technical training, and that all use the new methods into their daily work. The partners became more effective at monitoring, improved their support for village development committees and the target communities, and increased their self-confidence in dealing with local authorities.

The Mangrove and Environmental Rehabilitation Network (MERN) planned to achieve six changes in the project period and reports to have successfully made three of them. Initially, MERN employed a top-down approach to community development, but subsequently adopted a participatory, village-based development approach. Consequently, the project was revised and developed a better focus. Before the change, MERN's partners took direction from their respective country offices in Yangon, bypassing the project manager. This led to huge inefficiencies and nearly caused the project to shut down. Today, the project manager in the field has been given more decision-making authority in order to better manage the project. This was an important learning process for MERN that they will be able to apply in future projects.

The "most significant change" story pilot mentioned above, which will be implemented in early 2013 lends itself well to this indicator.

2.3 Activity monitoring

Every six months, LIFT requests its IPs to report on a set of 23 activity-level indicators. Each IP reports on the indicators relevant to the specific activities of its project. The LIFT Fund Manager aggregates the figures. A summary of this monitoring data, as of December 2012, is presented in Table 11 below. This is the data gathered from all active projects of the Countrywide, Delta 2 programmes and the two direct grant projects in the Delta region. The cumulative figures also include data from the Delta 1 programme, which was closed in 2011.

These indicators should not be confused with the LIFT Logical Framework indicators, which focus on the goal, purpose, and output levels. The second table of the column shows the cumulative targets for each indicator to be achieved by the IPs by 2016. These targets are based on the individual targets for each IP project with which LIFT has already contracted.

Nearly all interventions have started a second year of activities; some have already begun a third. The achievements (see the two right-hand columns) show that the targets have been exceeded in the case of 12 out of the 23 output indicators.

Table 11: Summary of implementation progress for LIFT-funded projects to end 2012

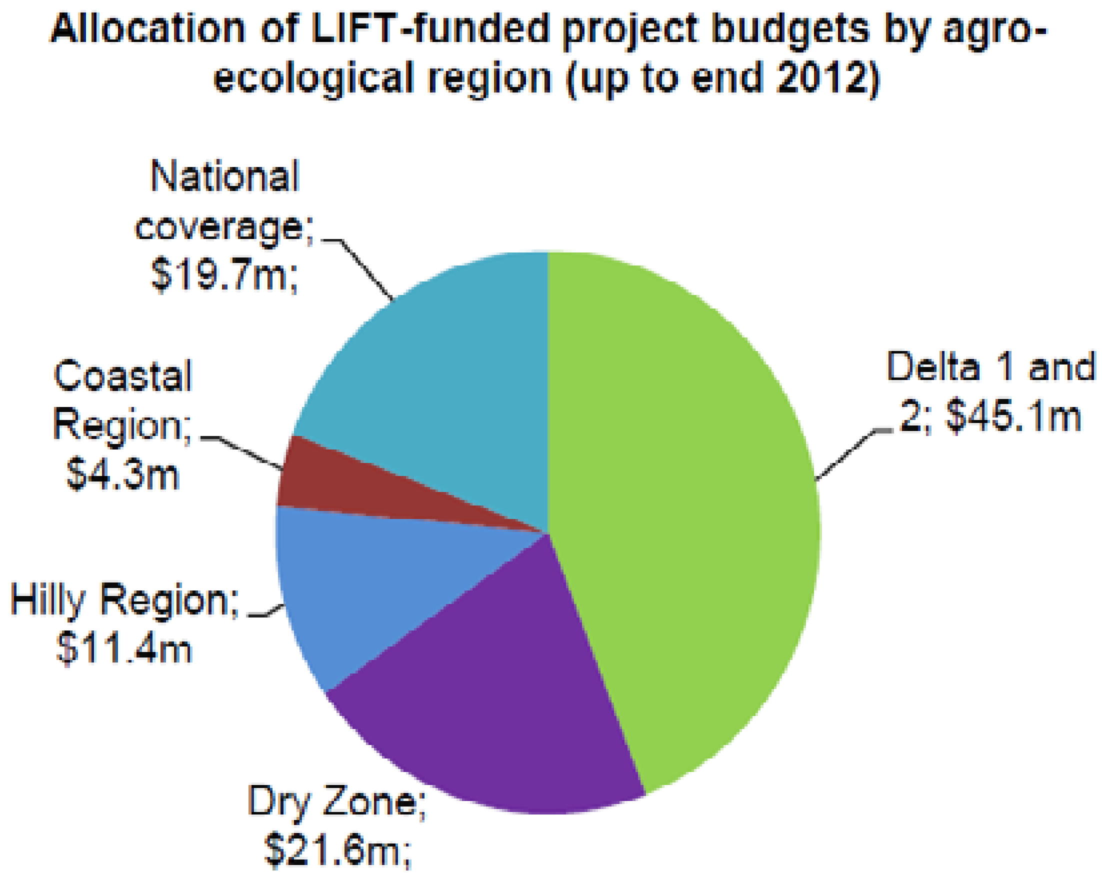
Indicator description	Combined target for contracted IPs to 2016	Progress in 2012	Cumulative progress to end of 2012	
			No.	%
Planned overall targets (without double counting of HH)				
Total number of direct beneficiary households (HHs)	360,890	150,291	373,520	103%
No. of female-headed HHs	14,720	17,183	20,874	142%
No. of HHs with a person living with a disability	3,676	2,344	3,408	93%
Agricultural production (crops)				
No. of HHs supported in agricultural production	99,832	42,854	102,009	102%
No. of HHs supported with market information & linkages	21,059	21,523	24,847	118%
Livestock production				
No. of HHs supported in livestock production	16,540	6,653	16,397	99%
Fishery production				
No. of HHs supported in wild capture fishery	6,390	3,177	7,976	125%
Other income-generating activities				
No. HHs supported in other income-generating activities	17,261	2,620	17,954	104%
Credit				
No. of HHs provided credit for agriculture (incl. livestock and aquaculture)	134,930	61,765	69,330	51%
No. of HHs provided credit for non-agricultural purposes	101,840	17,142	17,849	18%
No. of HHs supported through revolving funds	13,594	17,211	19,323	142%
Training				
No. of participants trained in the total of the following:	109,682	69,557	129,554	118%
No. trained – agriculture-related (incl. livestock & aqua)	47,492	41,231	60,204	127%
No. trained - other income-generating activities	13,360	1,759	9,195	69%
No. trained - wild capture fishery related	548	195	195	36%
No. of agricultural/livestock/fish extension workers trained	5,542	1,422	6,489	117%
No. trained in environmental protection/rehabilitation	9,908	6,477	9,011	91%
No. trained in skills to strengthen CBO management	32,165	18,473	44,460	138%
Cash-for-work (CfW)				
No. of person-days of CfW provided (men and women)	2,166,974	671,116	1,045,585	48%
No. of person-days of CfW provided for women	672,131	246,821	411,012	61%
Total number of HHs supported through CfW	110,598	43,227	108,130	98%
Assets and infrastructure (through CfW, grants, etc.)				
No. of CBOs established or strengthened	4,039	2,924	6,391	158%

3. Geographic Areas

The previous section described the cumulative achievements of the 66 projects[33] that have received funds from LIFT since its inception through the end of December 2012. Twenty-two of those projects were from the Delta 1 programme and were one-year projects in the Ayeyarwady Delta that were completed in 2011. Of the 44 on-going projects, many with a three-year timeframe most began in 2011. Eighteen projects began in 2012. A description of the projects is provided on www.lift-fund.org.

LIFT focuses on four geographic areas based on the main agro-ecological regions of the country:
- The Ayeyarwady Delta (commonly referred to in this report as "the Delta");
- The Dry Zone (the low-lying central part of the country that includes large parts of Mandalay, Magway, and the southern Sagaing regions);
- The Hilly Region (upland areas in Kachin, Chin, and Shan States); and
- The Coastal Region (Rakhine State).

Ten projects have a national focus.



33 *Total projects as of December 2012: 66 projects: Countrywide (16 projects); Delta 1 (22); Delta 2 (9); Direct grants (2); Learning and Innovation Window (12); Rakhine (1); Financial Inclusion Window (4).*

3.1 Ayeyarwady Delta

Description of the area

In the Delta, 25% of the households report that paddy farming is the most important source of household income, while 12% of households claim fishing is their main source of income. Significantly, almost 45% of all households and 68% of the poorest households in the farming and fishing sectors (those earning less than US$1 per day) report that their primary source of income is casual labour[34].

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

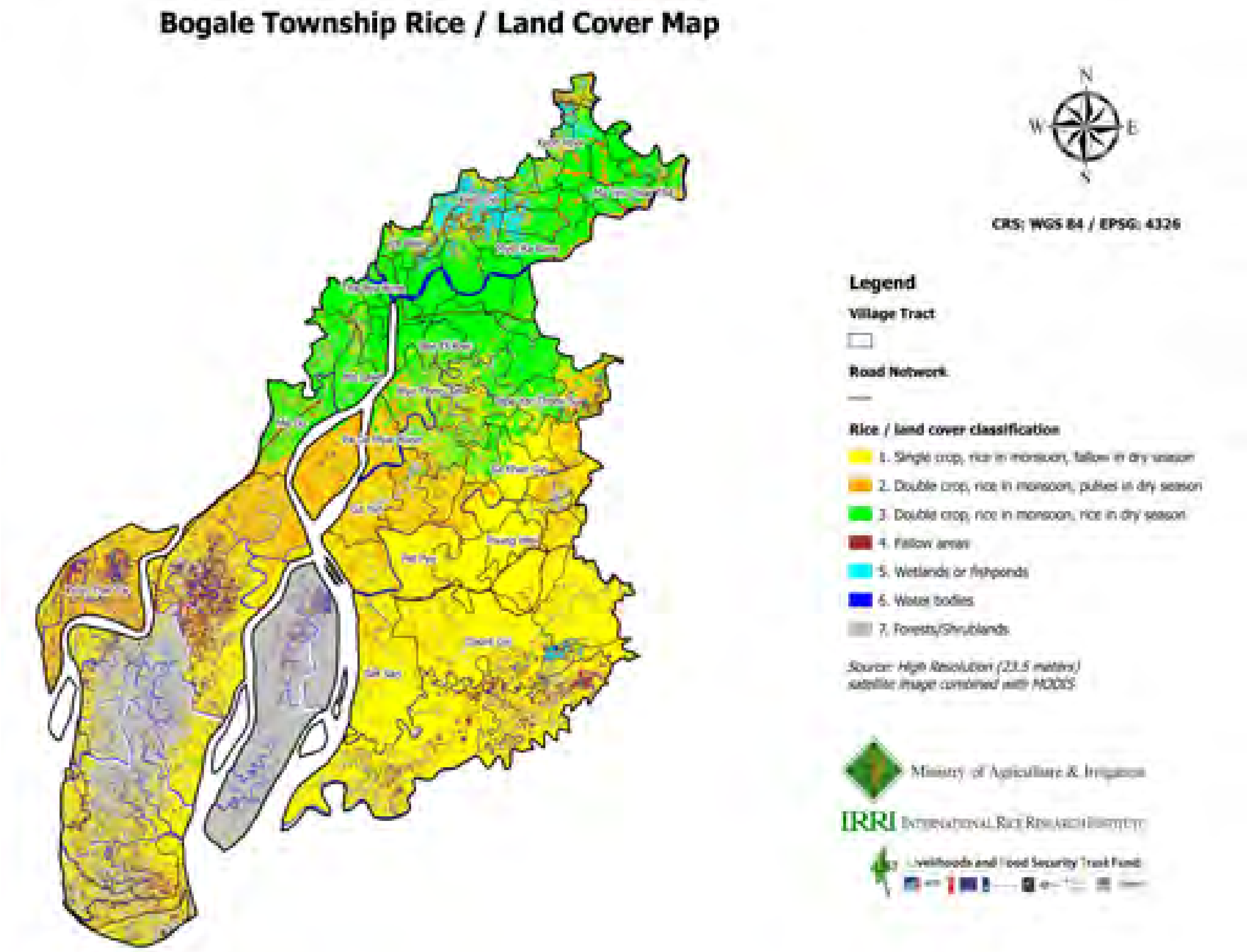
Most Delta farmers sell rather than consume the majority of their paddy. Mercy Corps' baseline study in Labutta showed that 75% of paddy produced is sold in the market, while only 20% is used for home consumption, and 5% is used for next season's seeds[35]. At the same time, most households in the Delta buy more rice than they grow.[36]

Opportunities for increasing production exist, but they differ according to the three agro-ecological subzones in the Delta.

- The freshwater zone (from the middle of the Delta northwards) has the highest potential for agricultural production. Farming dominates and double cropping of paddy (monsoon and summer) provides significant employment. The yields of summer rice are about twice those of monsoon rice.
- The saltwater zone (the southern edge of the Delta close to the sea) has a lower potential for agricultural development. Here fishing is the dominant economic activity. Preventing further mangrove degradation is an important issue in terms of protecting fishing resources. Other economic activities found in this zone include commercial shrimp farming, salt making, monsoon paddy production (with low inputs and yields), and small-scale livestock and poultry rearing.
- The intermediate zone, or the brackish area (between the freshwater and saltwater zones), is characterised by saltwater intrusion during the dry season unless the fields are protected with embankments. It prevents double cropping unless there is a reliable source of fresh water.

34 LIFT's Baseline Survey Report, 2012.
35 Mercy Corps baseline, 2011.
36 LIFT's Baseline Survey Report, 2012.

LIFT is funding the International Rice Research Institute (IRRI) to map cropping patterns in the Delta. The map below is an early draft of IRRI's work on Bogale Township and shows the clear delineations between these zones.



LIFT's activities in the Delta

In response to Cyclone Nargis in 2008, LIFT's initial operations in the Ayeyarwady Delta funded mostly short-term recovery projects. The first call for proposals (referred to as Delta 1) was for stand-alone projects, the evaluation of the proposals and negotiations with the partners highlighted the need for greater integration between the projects[37]. This led to LIFT supporting longer-term projects in the Delta (referred to as Delta 2), from 2011 onwards. In order to improve coordination and collaboration between the projects, LIFT encouraged its IPs to forge alliances to develop a more programmatic approach. The Fund Manager also appointed a Delta Coordinator in order to support coordination of activities between IPs and to facilitate the sharing of lessons.

LIFT is funding thirteen complementary projects[38], most of which are designed to strengthen the rice value chain in the Delta with a total budget of US$23.5 million of which US$13.4 million is allocated to agriculture (Output 1). These projects in Labutta, Bogale, and Mawlamyinegyun townships work to boost rice production and profitability throughout the agricultural value chains with support from Pact's microfinance pro-

37 *In 2010/11, LIFT funded 22 IPs to work in 1,300 villages in the Delta to provide inputs to re-establish the rice production that had been destroyed by Cyclone Nargis. The progress and challenges of these projects are described in LIFT's Annual Report 2011 and the Delta 1 Evaluation report.*

38 *Nine projects under Delta 2, two projects under Direct Grant, two projects under the L&I window focusing on the Delta area, including one IRRI project focusing on identifying the rice environments of Myanmar, and working both in the Delta and the Dry Zone. Most LIFT projects in the Delta began in the third quarter of 2011, except UNDP/Pact, Proximity Designs, Radanar Ayar, and IRRI projects, which began in 2012.*

ject that provides credit to farmers. Proximity Designs focuses on building small-scale infrastructure with cash-for-work to improve market access for farmers and producers.

Although the majority of these thirteen projects were signed in 2011, many IPs were not able to support farmers in time for the 2011 monsoon paddy season. However, by Dec 2012, agricultural extension activities for monsoon paddy were well established in three townships.

Two additional three-year projects (IRRI and ActionAid) totalling US$3.6 million were signed in 2012 to support and enhance the impact of LIFT's Delta projects. LIFT contracted IRRI to provide technical support to LIFT's partners, and to pilot varietal selection of paddy seeds tolerant to brackish water or long periods of submersion. The connection with IRRI and its partnership with the government aim to strengthen the link between LIFT's IPs and the government's research and extension systems.

In the freshwater and intermediate zones, LIFT focuses on paddy farming activities. In the saltwater zone, LIFT activities are oriented towards mangrove protection, fishery products processing, and marketing. There have been some efforts to improve agriculture in the southern part of the Delta, despite saltwater intrusion. Indeed the majority of villages with LIFT activities are in the intermediate zone, meaning that access to fresh water during the dry season is limited[39]. Among the 41 villages in the Delta included in the baseline study, only nine villages (22%) have access to fresh water for irrigating dry season crops.

The LIFT funded IRRI project reports that "the possibility to grow two crops in the brackish water area would constitute undoubtedly a big breakthrough in the local economy". IRRI's plans are to find appropriate rice varieties to allow for two rice crops: a shorter duration variety in the monsoon season followed by a saline-tolerant variety in the summer season. IRRI's initial plan is to start experiments in six villages". This new research, funded by LIFT, complements existing efforts by other IPs to produce and disseminate existing salt-tolerant varieties. To date, IRRI has worked with WHH/GRET and Mercy Corps to test 16 high-yielding salt- and submergence-tolerant varieties. This work will be extended to 20 varieties in 2013.

Support for the multiplication of quality paddy seed has been established with total production reaching at least 23,500 baskets, which is still very small scale in comparison to the needs across the three townships. Scaling up the activities appears to be hampered by a lack of agreed protocols and rigorous quality control of seed growers. LIFT will explore with IRRI the possibility of establishing seed production protocols.

For capacity building, the DoA and LIFT IPs have participated in IRRI's training on participatory varietal selection (PVS) and postharvest management. IRRI has also introduced postharvest quality testing kits that were purchased by most IPs and IPs have, in turn, helped identify farmers to participate in the PVS. In 2013, baby trials will be established in farmer fields with the support of other IPs.

According to Proximity Designs, WHH/GRET, and Radanar Ayar, monsoon paddy production in 2012 was lower than average due to poor weather conditions. In 2012, early rains and flooding affected the crops in the southern part of Labutta Township. Most farmers' harvests were far below their normal levels, and some farmers lost their entire crop. In the northern areas, better crop harvests were reported as flooding was less of an issue. However, late rains damaged much of the crop. AYO reported in their field surveys that at least 10% of the paddy was lost and that 30% was of low quality and sold at half the normal price.

Four partners (WHH/GRET, Mercy Corps, Ratanar Ayar and AVSI) are all supporting new farmer organisations to undertake bulk purchase of agricultural inputs, collective marketing of produce and collective ownership and/or management of agricultural equipment, including those for post-harvest management.

39 *It is difficult to define clearly what is fresh / brackish / salty, where it starts and where it ends due to the tides and seasons. There is also no standard definition and people from the same village report differently. However, IRRI is publishing a study to define and possible identify areas that fall into these three soil categories.*

Pact provided its first LIFT-funded monsoon paddy loans in 2012, reaching 5,000 farmers. Demand for the loans is strong and 98% of the loans were paid back according to schedule as of December 2012. However, the credit repayment terms have not provided farmers sufficient flexibility to sell their produce for the best price. WHH/GRET has tried to mitigate this problem by introducing inventory credit (farmers receive credit for an amount of their paddy stored and used as collateral) in various forms to enable farmer groups to sell their produce later at a higher price.

Agricultural extension activities

The agricultural extension activities of LIFT's partners mostly focus on paddy cultivation with labour-intensive methods that are designed to increase rice production and quality, as well as provide more work opportunities. WHH/GRET and Radanar Ayar are encouraging farmers to practice a system of rice intensification (SRI)[40]. This entails shifting from broadcast sowing or stick transplanting (used to transplant in deep water) to hand transplanting single or multiple young seedlings in a straight line with adequate spacing. The advantages of transplanting are significant when compared to broadcasting, both in terms of increased yields and decreased seed rates required. The seeding rate per acre can be 40 to 50% lower according to farmers interviewed during the Fund Manager's field trips and WHH/GRET report 20 to 50% increases in paddy yields.

Table 12: Paddy yields reported by WHH/GRET from five SRI demonstration plots

Technique	Average yield (basket per acre)	% increase in comparison to broadcasting
Broadcasting	39	-
Hand transplanting (2 to 3 seedlings)	46	18%
Single-plant transplanting	61	56%

Despite the demonstrated advantages, farmers in the Delta have been slow to adopt hand transplanting, especially single-plant transplanting. The main reasons for this appear to be:

- *Inadequate on-farm water management*, especially in the southern part of the Delta: In the southern part of the Delta, the environment is much less favourable for rice production due to saline water intrusion and a higher risk of submergence. In flood prone areas, young seedlings are at risk from flooding and farmers may have to transplant in deep water. Insufficient control of the paddy water level limits the prospects for success with hand transplanting. The construction of embankments to protect land, and building dams to retain fresh water in the dry season, requires large investment.
- *Difficulties in mobilising sufficient skilled labour for transplanting*: Single-plant and hand transplanting is labour intensive and labour costs have risen in recent years. Hand transplanting also requires skills that local labourers often lack, and farmers tend to recruit more experienced, and more expensive, workers from other regions. AVSI mitigates this by organising women labour groups from six villages to transplant for seed multiplication. Radanar Ayar and WHH/GRET found that better-off farmers were

40 The System of Rice Intensification (SRI) is a methodology aimed at increasing the yield of rice produced in farming. SRI principles include applying a minimum quantity of water and the individual transplanting of very young seedlings in a square pattern in order to realize the full tillering potential. The central principles of SRI according to Cornell University are:

- *rice seedlings should be transplanted when young, less than 15 days old with just two leaves, quickly and carefully, to avoid trauma to roots and to minimize transplant shock.*
- *rice plants should be planted singly and spaced widely to permit more growth of roots and canopy and to keep all leaves photo-synthetically active; and*
- *rice field soils should be kept moist rather than continuously saturated, minimizing anaerobic conditions, as this improves root growth and supports the growth and diversity of aerobic soil organisms;*

Other associated practices are linked to these core principles (high density nursery, line transplanting, regular mechanical weeding, also for soil oxygenation, fertilization).

able to organise labour groups and train them. In one incidence some women from landless households reported to the Fund Manager that they earned higher wages when transplanting, as much as $70 to $117 per season.

- *Poor access to affordable credit to pay for required inputs*: Farmers are requesting larger loans from Pact, both for the monsoon and dry seasons to cover the supplementary costs required for transplanting. Pact has announced that it will provide larger summer paddy loans—US$211 per acre for a maximum of five acres—in 2013. In the past, they provided US$176 per acre for a maximum of three acres. It remains to be seen how much of this higher amount will be allocated for labour.

Even if clearly preferable, it will take some years for transplanting to be widely adopted. For now, many farmers prefer to watch other farmers experiment and then try a little themselves. An alternative strategy might be to promote the use of labour-saving equipment for seeding and/or transplanting. Labour saving equipment may be appropriate for summer rice production when there is little time for hand transplanting and farmers are constrained by time and capital. WHH/GRET and Radanar Ayar have tested, and are now encouraging, the use of the drum seeder[41]. This tool increases the quality of the seedbed and reduces the seed rate by approximately 50% compared with broadcasting.

The labour market in the Delta needs greater study to provide a more informed understanding of the main constraints to the increased adoption of hand transplanting. LIFT will conduct research in 2013 that will focus on SRI and identify opportunities in the area for greater rice intensification.

Seed production and participatory varietal selection

In the Delta, the availability of quality paddy seed declined following Cyclone Nargis in 2008 due to the loss of farmer seed stocks and poor seed quality. Most farmers save their own paddy seeds to plant the following year. Though cost effective, this practice does not ensure good seed quality. Farmers do not always select the best paddy seeds and they do not have the funds to buy new, certified seeds. IRRI's research shows that the use of good quality seeds can increase yields by 5 to 20%[42]. Distribution channels through the government or the private sector remain limited. The sole provider of certified seeds can 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 produce enough certified seeds to allow farmers to renew their seed stock every three years to retain quality and performance.

41 Drum seeders are not part of SRI (see definition) however LIFT's IPs are not exclusively promoting SRI, but adapting their training to the situation faced by farmers.

42 http://www.knowledgebank.irri.org/

Table 13: Summary of LIFT activities on seed multiplication in the Delta[43]

	Radanar Ayar	GRET	Mercy Corps	AVSI	LEAD
No. of villages producing seeds	28	33	16	7	1
Number of seed growers	188	53	60	44	3
Number of varieties	5 (Hnan Gar, Paw San Bay Gyar, Thee Htat Yin, Sin Thwe Latt, Yadanar Toe)	1 (Bay Gyar Lay)	Not available	3 (Paw San Yin, Ye Ngan Bo, Sin Thwe Latt)	1 (Sin Thwe Latt)
Salt-tolerant varieties	1	n/a	Focus	2	1
Source/ and classification of the seeds	DAR and others/ "certified" or "registered"	Shan Maw Myay (private company)	DAR and others/ "registered"	Not available	Not available
Quality control	Germination rate > 85%	Moisture <14%	Germination rate	Not clear	Not clear
Support package provided by IP	Training, seeds, fertilisers, and cash grants	Seeds	Training, seeds	FFSs, seeds, and fertilisers	Seeds (two baskets), fertiliser, pesticides, cash
Conditions attached to support	Free or reimbursed to revolving fund (decided by farmer group)	Reimbursed in cash or in-kind to company	Not clear	Reimbursed in-kind	Reimbursed in-kind (30 baskets /seed grower)
Protocol for seed production*	Yes	Yes	Not clear	Not clear	SRI
Area sown (acres)	200 acres	140 acres	100 acres	132 acres	Not available
Average yield (basket/ acre)	~50 baskets	Not available	49 baskets	Not available	55 baskets
Seed production (basket)	~10,000 baskets	Not available	Not available	6,300	27
Quantity exchanged or sold (basket)	277 baskets	1,924 baskets	5,289 baskets	Not available	Not available
Certification	Unclear	No	Unclear	Unclear	No
Quality control procedure	Laboratory test	Moisture <14%, visual quality	Not clear	Not clear	By project, unclear
Distribution channel	Purchased by the project Central Seed Bank (plan = 3,000 baskets) For distribution to new seed growers & selling to farmers	Contract farming; company buys at a price 20% above market price	Cash grants from project to farmer producer enterprise (FPE) members to purchase the seeds from seed growers	n/a	Seed growers reimburse to project (only 27 baskets of good quality seeds out of 90 baskets expected)

43 Five LIFT-funded projects have activities related to seed multiplication: Mercy Corps, WHH/GRET, AVSI, Radanar Ayar, and LEAD.

** Protocol for seed production: The seed growers have to follow certain practices specified by the IPs for them to be recognized as seed producers (such as SRI, spacing, fertilization, rouging, post-harvest management). These practices are different according to IPs and not always compulsory.*

The total seed production is unknown, but the total quantity of seeds that has been distributed can be estimated from IP reports. Their numbers indicate distribution of about 23,500 baskets, which can be planted across at best 15,000 acres (1.5 basket /acre). This is still very limited (<5%) in comparison to the needs of the LIFT townships in the Delta (Bogale, Mawlamyinegyun, and Labutta)[44]. Radanar Ayar expects to increase its production next year.

The modalities for seed multiplication and distribution are very different from one IP to the other. For example, Radanar Ayar works with 7 to 10 seed growers per village, which seems a lot unless they can reach markets outside their own village. The project tried to establish a seed bank to purchase 30% of the seed produced. But farmers were reluctant to sell their seeds because they wanted to keep them for their own use and for local sale at a higher price (US$6/basket or exchange of seeds against grain at 1:1.5). The Radanar Ayar Central Seed Bank could only purchase 277 baskets instead of the 3,000 baskets planned.

WHH/GRET has been working with seed growers for several years. In 2012, the Shan Maw Myay company contracted 53 seed growers who are following GRET's protocol. The company provided local seeds and planned to buy 50 baskets of seeds per farmer at a price 20% higher than they would get in the market at Pyapon. GRET was responsible for seed quality control and had to reject two varieties. Production did not meet expectations due to early rains that destroyed nursery beds and late rains that soaked the harvested seeds. Nonetheless, this kind of cooperation with traders could be promising in terms of distributing seeds farther afield (beyond neighbouring farmers) and reaching preferred markets.

Single-plant transplanting is a recommended practice for seed production as it facilitates rouging (the removal of undesirable plants at different growing stages). But seed producers do not systematically practice roughing. Except for the germination rate, which is generally tested before or after procurement, the standard quality control procedures for "certification" or "quality-declared seeds" are unclear. The term "certified" also seems to be used incorrectly by some IPs. Mercy Corps indicates that they provide "registered seeds" for the seed growers to produce "certified seeds", but the quality of the seeds procured by the project was not satisfactory due to contamination and unfilled grains. Mercy Corps does not indicate any protocol for seed certification. According to Radanar Ayar, except in the case of one variety, seed growers have not met the required certification criteria set by MoAI's seed division. If the quality varies greatly, it will hamper the capacity to develop trusted distribution channels.

There is also a general lack of transparency in varietal control, quality, and seed classification. Clear protocols, and training in seed varietal control and multiplication, need to be established if seed growers are to have access to high-quality certified seeds in the future. One challenge of note is the connection between village-based seed growers and seed production controlled by the Department of Agricultural Research (DAR). There is a need for intermediaries (private companies) to multiply registered varieties so village-based seed growers are supplied with certified seeds.

The IPs let the seed growers choose the varieties they prefer to produce, as they have a better understanding of the demand from other farmers. At the same time the IPs ensure that some salt-tolerant varieties are multiplied and distributed in brackish areas.

Higher productivity will most likely come from new and improved paddy varieties with higher submergence and salt tolerance. IRRI is now working with WHH/GRET and Mercy Corps to test improved high-yield, salt- and submergence-tolerant varieties adapted to various rice environments in the Delta. Some 180

44 *There are 860,000 acres of monsoon paddy and 198,000 acres of summer paddy in the three townships according to DoA statistics. The requirement for seeds of good quality for nursery and hand-transplanting are in average 1.5 basket /acre (2-3 times more if broadcasting), but farmers need to renew their seeds only once every three years. So, the calculated amount of seeds that should be produced is about 530,000 baskets. This is a low estimate given the current prevalence of broadcasting. So the total production by LIFT partners amounts to 4.5% of the requirements at best.*

farmers drawn from 18 villages across the six participatory varietal selection sites reviewed 16 varieties in 2012. A subset of these farmers (126) was also involved in assessing the cooking quality and taste of the six top-ranked varieties. The top five varieties were Saltol Sin Thwe Latt, Shwe Pyi Htay, Sin Thu Kha, Shwe Ta Soke, and Hnan Khar. Three of these varieties (one salt tolerant) are not photosensitive (Photosensitive means that the plant will flower according to hours of sunlight in a day) and so they were selected for seed multiplication during the 2013 dry-season crop[45]. This work will be extended to 20 varieties in 2013.

In conclusion, the main lesson from LIFT's seed production activities is that while progress is being made, scalable results are hampered by a lack of agreed protocols and rigorous quality control. The standard quality control procedures for certification are unclear and the term seems to be used incorrectly by some IPs. This has been confirmed by IRRI, which has advised that LIFT should seek to more actively coordinate its IPs working with seeds to ensure minimum technical standards are consistently applied. This will probably require the establishment of agreed seed production protocols.

Support for farmer organisations

Farmer organisations are promoted by some LIFT IPs for bulk purchase of agricultural inputs, collective marketing of produce and collective ownership and/or management of agricultural equipment, including those for post-harvest management. The table below provides a summary of IPs and the type of organisations supported and the types of activities these organisations engage in.

Table 14: Summary of LIFT activities (and achievements) for supporting farmer organisations in the Delta

	WHH/GRET	Mercy Corps	Radanar Ayar	AVSI
Townships	Bogale and Mawlamyinegyun	Labutta	Bogale	Labutta
Villages	110	39	42	6
Farmer Organisations	12 Community Agro-Economic Development Platforms (CAEDPs)	39 farmer producer enterprises	42 farmer pools	1 cooperative
Coverage	Multiple villages	Single village	Single village	Multiple villages
Membership	800 farmers through their VDC	1,404 farmers	351 farmers	46 farmers
Activities engaged in by the farmer organisation	CAEDP = mainly an input store, but 10 CAEDPs (supported by WHH) also engage in extension, equipment management and revolving funds at VDC level	Purchase of inputs, collective equipment purchase and management, extension and marketing of produce	Purchase of inputs, seed production, extension and collective equipment management	Purchase of inputs, extension and collective equipment management

Many of the farmer organisations have only recently been established, so it is premature to draw firm conclusions about how the respective organisations work and what activities they seem best placed to take on. However, some lessons appear to be emerging:

45 Photosensitive paddy can be grown only in the rainy season with less sunlight in the day. The advantage is that the plant will have a homogenous and fixed time to flower and mature notwithstanding the sowing and transplanting date). Many traditional and long duration varieties are photosensitive. These varieties cannot be grown in days that grow longer (dry season). The use of non-photosensitive varieties is required for the dry season.

- *Collective input purchases appear to be generating savings for farmers*. All four IPs report that farmer groups have been able to purchase and transport inputs more cheaply than individual farmers were able to do. This appears to be the main motivation for WHH/GRET to bring village development committees (VDCs) together into cluster-based groups called Community Agro-Economic Development Platforms (CAEDPs), which operate mainly as agricultural input stores, buying discounted agricultural inputs in bulk and selling them to famers on credit. WHH/GRET reports that working with village clusters enables farmers to achieve greater economies of scale than is possible if working with farmers in single villages (like Mercy Corps and Ratanar Ayar do)[46], but a systematic comparison of prices has not been done.
- *Despite the advantages offered by mechanised threshing[47] the experience with joint management and ownership of threshing equipment has been disappointing*. WHH's recent assessment revealed that out of more than 40 threshers provided, only three are still managed by the farmer groups. The management of 18 of the threshers was transferred to VDCs, which rent out the equipment to farmers. The other threshers were sold, broken, or monopolised by individual group members. WHH reported that user groups could not afford, or were not willing, to share the responsibilities of service and maintenance.
- *It is not yet clear if group ownership and management of driers will be better*. Radanar Ayar has built five flatbed driers, which can dry rice in hours, reducing the likelihood of crop damage and increasing the grain quality by avoiding direct sunlight. Farmer organisations have been charged with managing the driers.
- *Farmer organisations serving multiple villages are more complicated to establish and may need to focus on those activities for which economies of scale are best suited*. The partners that work with village clusters (WHH/GRET and AVSI) report that establishing the farmer groups is taking longer than expected because it takes longer to build trust amongst farmers that are not from the same village. Farmers are reportedly reluctant to take direct control of decisions or assets for institutions that do not directly reside within their village boundaries. This may mean that the CAEDPs are best suited to input supply and should not venture into collective management of agricultural equipment.

Agricultural financing

Table 15: Summary of agricultural credit provision in the Delta

	Townships	No. of villages/ farmers	Amount loaned in 2012	Loan size (interest rate)	Repayment Rate	Comments
LIFT partners providing agricultural credit in the Delta in 2012						
Pact Pyapon	Pyapon	43/805	$112,860	$93 /acre (2.5%/month)	100%	For a maximum of 3 acres per farmer
UNDP/Pact	Labutta, Bogale, Maw'gyun	247/4,735	$1,513,235	$117 /acre (2.5%/month)	98%	For a maximum of 3 acres per farmer
Others providing agricultural credit in the Delta in 2012						
MADB	All in the Delta	Not available	Not available	$59/acre (8.5% p.a.)		Common for loans to arrive late (i.e., 1-2 months after the land preparation period)

46 *Both Radanar Ayar and Mercy Corps work within villages. Radanar Ayar organised paddy farmers in each of their project villages in Bogale to form "farmer pools" comprising of 7 - 10 farmer members. While in Labutta, Mercy Corps set up farm producer enterprises (FPEs) and village vegetable groups (VVGs) in their project villages to negotiate better prices, both for buying inputs and selling produce.*

47 *Exposure to the sun leads to grain cracking and paddy is vulnerable to pest and rain damage (as occurred in 2012) when harvested paddy is left to dry in fields. The mechanisation of threshing enables farmers to thresh paddy quickly and avoid such losses.*

	Townships	No. of villages/ farmers	Amount loaned in 2012	Loan size (interest rate)	Repayment Rate	Comments
Proximity Designs	Not available	Not available	Not available	$117 (2.5%/month)		Loan size fixed regardless of no. acres, which is too small for most farmers
Rice specialized companies	Not available	Not available	None	Not available (2.0%/month)	Not available	Did not provide loans in the Delta in 2012 due to very low repayment rate in 2011
Informal sources (incl. millers, traders, shop keeper, etc.)	Not available	Not available	Not available	Not available (5% to 10% per month)	Not available	This is by far the most common source of agricultural loans

Access to credit is critical for agriculture, but under prevailing conditions in the Delta, low-interest credit is difficult to obtain and many are forced to borrow from private moneylenders who charge monthly rates of 10% or more. The Myanmar Agricultural Development Bank (MADB) lends at 8.5% per annum, but it puts strict conditions on the loans (such as disbursing the loan only after the farmers from the entire village have fully repaid their previous loans and requiring that farmers pay immediately after the harvest when prices tend to be lowest) and only lends to farmers on official paddy land (which excludes many farmers in the southern Delta who farm of land officially registered as forest land). According to a rice value chain study conducted by Mercy Corps and several NGOs in Labutta Township, 74% of the farmers interviewed took loans from private moneylenders.

LIFT partners in the Delta also experimented with more innovative approaches to credit, but the experience was mixed:

- *Contract sales of inputs:* Mercy Corps helped farmers purchase fertiliser and tools on credit from farm producer enterprises[48]. A total of 174 farmers purchased fertiliser for their winter crops with the fertiliser supplier covering 27% of the credit needed. By the end of 2012, the project faced a low repayment rate of only 66%, which caused a conflict between the farmers and the private suppliers. The companies required the farmers to pay back the full loan amount at harvest time while the farmers wanted to pay later when the price of rice was higher. Because of the low repayment rate, the private companies refused to continue the partnership.

- *Inventory credit*: WHH/GRET is piloting two inventory credit schemes (inventory credit and purchase finance) through which farmers can put up grain as collateral for reasonably-priced credit (2.5% per month). An independent committee manages the inventory credit, and the purchase finance system is managed collectively by farmer groups (CAEDPs). Interested farmers can store their paddy at harvest time, holding it for later sale when the paddy price increases. In the case of the inventory credit, farmers receive 65% of the stored paddy value as a loan. They follow the market price, and when they want to sell they repay the principle plus interest and storage costs. For the purchase finance system pilot, the paddy is purchased by CAEDP just after the harvest by paying 80% of the actual market price. Quality

48 *Farm producer enterprises are comprised of 50 farmers who work collectively to negotiate favorable credit conditions and better selling prices for their products.*

is controlled and the paddy is repacked and sealed. A storekeeper who has received IRRI post-harvest training manages the stock. The paddy is sold when the price is high and the remaining amount is paid to the farmer after deducting the overhead costs.

The two pilots differ from one another, mainly in terms of who provides the loans, but essentially farmers receive credit for an amount of their paddy (around two-thirds of stored paddy value). Before or at selling time they repay the principle plus interest and storage costs. If a farmer can't repay his loan, the village inventory credit committee is allowed to sell this paddy. The results of the two pilots will not be available until 2013. Unfortunately, while the farmers initially expressed a high level of interest in the scheme, they were unable to take full advantage of it due to heavy rains in late November and early December, which severely reduced the amount of harvested paddy that farmers could store.

- *Financing for rice mills*[49]: Mercy Corps provided training to local (below township level) rice mill owners to produce their own business plan for upgrading and managing their facilities. After an extensive review of these plans, partial grants of roughly US$4,000 per mill (75% of the total cost) were given to 30 rice millers to purchase equipment upgrades in exchange for reduced milling costs and free storage of rice for farmers. Milling is currently underway and initial results are being collected, including the measurement of broken rice, the quantity of rice grain collected per basket of paddy milled, and the number of baskets milled per hour. An assessment will also be done of the benefits accruing to farmers from improved milling.

The UNDP/Pact project in the Delta (Labutta, Mawlamyinegyun, Bogalay) faced a number of challenges in 2012 including dormant clients and dropouts. The dormant client rate of 11% and the dropout client rate of 3% was reportedly driven by increased out-migration. Most of the clients with non-performing loans received two loans, both a "regular" loan and an agricultural loan, suggesting that this burden on top of their other financing may be too onerous. IP reporting, however, suggests that borrowers' ability to repay was also affected by the low paddy yield (in some cases no yield at all) in 2012 following the unseasonably heavy rains in November and December. The villages targeted under LIFT's Delta II microfinance programme were not affected as their activities started in the second quarter of 2012 and clients were still in the first loan cycle at the end of 2012.

Pact has undertaken a survey to identify needs and constraints and is now considering a new loan product to better meet the need of households. The following options are being considered:
- An adjustable loan period for agricultural loans: at the request of the clients, repayment of the principal is extended for an additional month after harvest time.
- Group loans for agricultural tools: these "extra" loans would enable clients to purchase agricultural tools such as hand tractors and would have group liability.

Farmers are requesting larger loans from Pact, both for the monsoon and dry seasons to cover the supplementary costs required for transplanting. Pact has announced that it will provide larger summer paddy loans (US$211 per acre for a maximum of five acres) in 2013.

Aquaculture

Oxfam/NAG is implementing an eel fattening aquaculture activity that women can engage in. The activity was identified in cooperation with the Department of Fisheries (DoF) and provides loans through village revolving funds with technical guidance from DoF. Although the project reports no quantitative results yet, DoF has apparently already said that it would like to roll out a loan programme for eel fattening in four

49 *According to a Mercy Corps' value chain study, rice grown in Labutta loses a significant portion of its value due to poor milling. This is a result of the low quality of the raw material, but also because of poor milling equipment and unskilled operators. Only one mill in Labutta is capable of milling rice to international standards. Upgrading rice mill equipment could potentially produce large benefits for farmers and millers alike.*

Delta townships.

In Labutta, ADRA and ECODEV aimed to determine if aquaculture activities could take place within protected mangrove forests. ECODEV was leading the activities related to aquaculture ponds and mangrove protection while ADRA supported the food processing and marketing components. Allegations of mismanagement by an ECODEV staff member caused the partnership to collapse resulting in the withdrawal of ECODEV. ADRA is now reconsidering the future of the project.

Prior to its withdrawal, ECODEV built 26 of the planned 50 aquaculture ponds (for fish, crab and shrimp production) with local communities providing labour. The idea was to replicate basic shrimp ponds following a Vietnamese mangrove-based model. In all cases the shrimp fry died or disappeared soon after being put in the pond. Assessment of the ponds by a national expert from the DoF determined that the failures were all due to relatively simple technical errors, including the sluice gates not being deep enough, the ponds being too shallow and with insufficient shade, and incorrect use of lime to control diseases. Some groups tried crab fattening, but they too met with problems related to crab mortality and highly variable crab prices.

The project has not only faced technical challenges; pond management has also been problematic and food processing groups supported by the project have found it difficult to find suitable markets for their products. One village that received a storage facility and processing machines complained that they had no capital to procure the raw material and asked to return all the materials to ADRA.

LIFT's mid-term review of the Delta programme has noted the need to review the future of aquaculture interventions. While pond aquaculture has significant potential, it also carries significant risks, and as ECODEV and ADRA have discovered, requires sufficient technical knowledge and capacity to be successful. There is also a more general lesson emerging here for the Fund Manager on the importance of ensuring it contracts outside technical assistance to monitor projects that are on the margins of its internal expertise.

3.2 Dry Zone

Description of the area

Agriculture is the backbone of the Dry Zone economy and is the main source of income not only for the households that have access to land, but also for the more than 40% of the households that are landless. This is unlikely to change in the medium term given the structure of the economy and the climatic conditions.

In most areas, farmers in the Dry Zone face considerable challenges including water availability, land degradation, and declining soil fertility. Rainfall is increasingly problematic with variations in rainfall from year-to-year and fewer "normal" years; significant spatial variability within a single season; extended and more pronounced dry spells between the early and late monsoon rains; and heavy concentrations of rainfall causing soil erosion[50].

Generally soils in the Dry Zone have a low natural fertility. A thin vegetation cover and intensive farming practices have resulted in a low and declining content of organic matter. Soil texture, heavy rainfall, hardpan formation (common in upland areas), and thinning vegetation cover result in significant water-induced erosion. Strong winds also cause loss of precious topsoil. Within the Dry Zone, there is also a high degree of soil diversity, suggesting equally diverse and locally specific interventions are needed. There are also 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, proximity to the Ayeyarwady River, and physical access to the markets. These factors drive the type and nature of

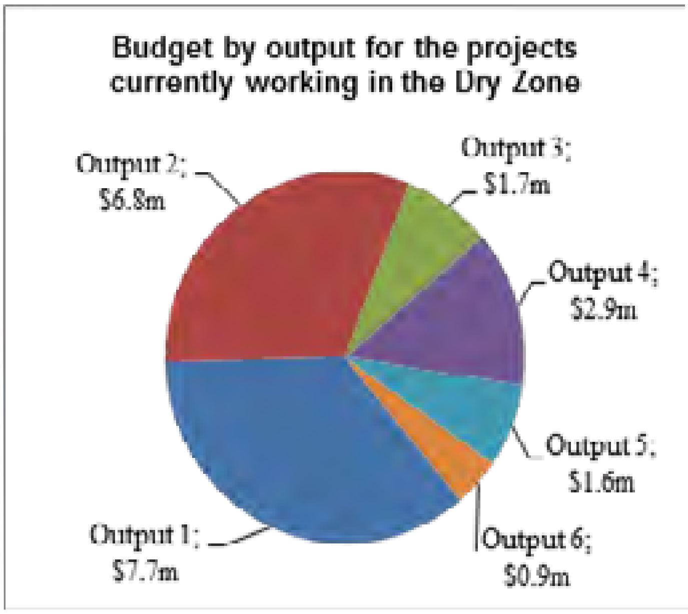
50 *Rainfall data is drawn from the 2002 report by the International Water Management Institute's as current data is not yet available.*

agriculture, casual labour, and non-farm activities[51].

In the relatively flat and low-lying areas along Ayeyarwady River, paddy cultivation is common, soils tend to be more fertile and access to markets is relatively good. On the other hand, the upland areas away from the river, especially along Bago hills, have more variable rainfall, sandier soils and tend to be more distant from markets[52]. Not surprisingly, poverty levels tend to be higher in upland areas, although landlessness is a common feature across the Dry Zone.

LIFT's activities in the Dry Zone

By December 2012, LIFT had on-going partnership agreements in the Dry Zone worth US$21.9 million for 11 three-year projects. Two of the projects will finish in late 2013; the other nine will finish in 2014. LIFT's current activities in the Dry Zone include support for improved land preparation, increased access to water, affordable credit, and the management of post-harvest losses. Other activities include soil and water conservation measures where adapted methods in crop production are promoted (e.g., Dry Zone-adapted crop varieties, soil contour bunds, and pond rehabilitation). Livestock support is mostly sheep, goats, pigs, and poultry for landless and poor farmers as an additional income-generating activity. LIFT is also funding significant microfinance activity in the Dry Zone.

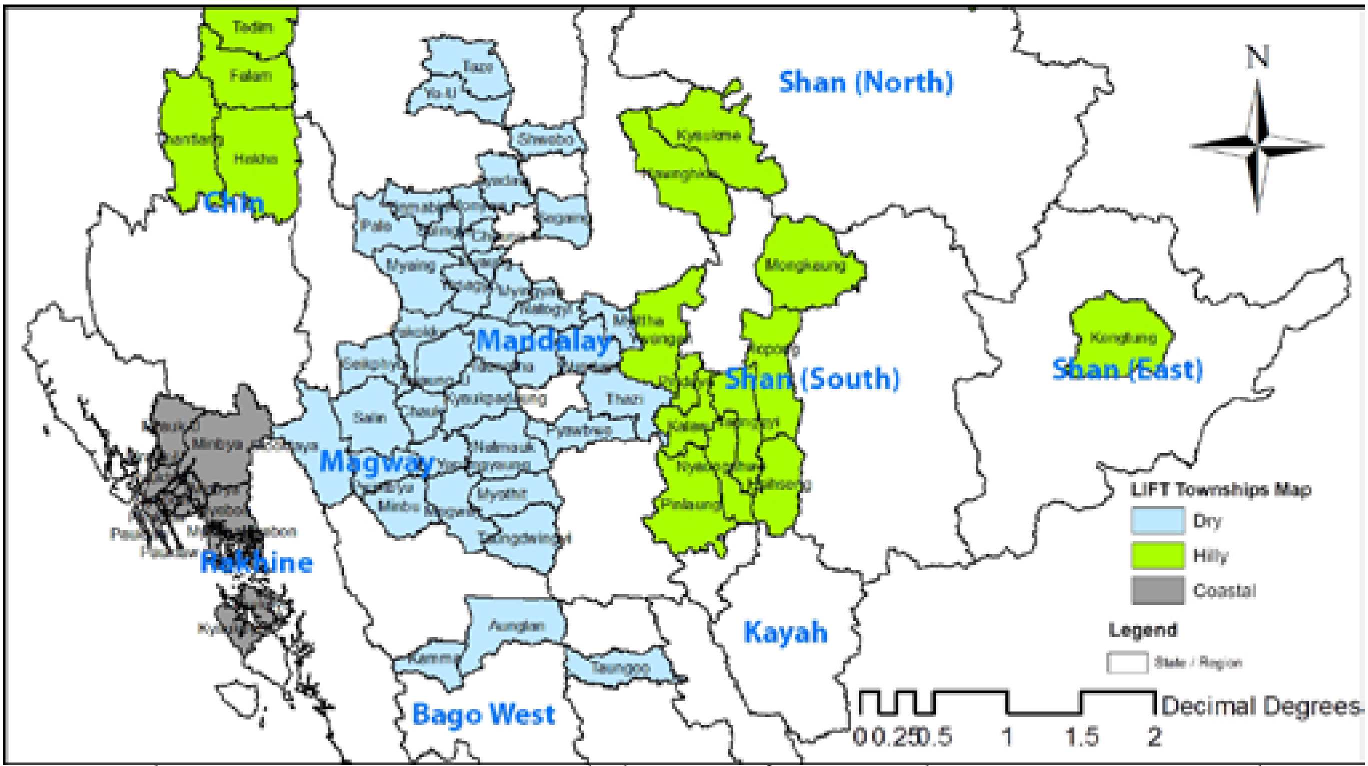


Most of the projects in the Dry Zone were funded through an open call for proposals in 2009. Other projects were selected through the competitive Learning and Innovation Window (see section 5.1). When the projects in the Dry Zone were selected in 2009, a programmatic approach was not envisioned and it was only later that LIFT tried to identify synergies and opportunities for information sharing among projects. Some of the smaller Dry Zone projects work together but in a limited way. For example, the Myanmar Business Coalition on AIDS (MBCA) project supports linkages between farmers, markets, and traders in order to achieve higher prices for farmers through better market access.

Six LIFT partners implement their projects using a community development approach[53] and, although these projects are less than two years into implementation, some observations and tentative lessons can be made (see section below). Progress has also been made in improving access to markets for farmers, although the activities remain limited in scale. One activity with potential for scaling up is the establishment of commodity exchange centres.

Four of LIFT's IPs (ADRA/ActionAid, HelpAge, OXFAM, and Proximity Design) support activities in water resource management and have established small-scale agriculture, water retention techniques in agriculture, and water for domestic consumption. LIFT has also prepared the basic design for a new project to rehabilitate and upgrade some of the government-run pumped irrigation schemes, which will begin in 2013. However, an overall analysis of water issues in the Dry Zone and a strategy for how LIFT can contribute

51 *The Development Study on Sustainable Agricultural and Rural Development for Poverty Reduction Programme in the Central Dry Zone of the Union Of Myanmar, Final Report, August 2010, JICA.*
52 *Ibid*
53 *Emphasis is placed on establishing an institutional framework for planning and implementing activities identified and prioritised by communities. Governance and management structures at the community level are designed to ensure inclusiveness, transparency, and accountability. Beneficiary targeting based on wealth ranking is used to increase the poverty impact of some activities.*



to improved water resource management are lacking. As a first step in the strategy process, LIFT has contracted the International Water Management Institute (IWMI) to conduct a broad assessment of how much water is available for both domestic and agricultural use, the key constraints to availability and access, and household mitigating and coping strategies. This study will also identify priority measures and investment options to address key water related concerns that affect agricultural production (including livestock) and domestic water consumption.

LIFT struggled in 2012 with the design of its planned new Dry Zone programme. However moving forward on the design of the programme will be a high priority for 2013. The Dry Zone's size (14 million people) and its heterogeneity, combined with the limited resources LIFT has to spend in the Dry Zone, have made it difficult to identify a geographic or thematic focus for the programme. This is made much more complicated by the lack of reliable household data on poverty at even the township level. A survey has been commissioned to better establish the availability and use of water resources in the Dry Zone. Other studies on selected value chains will contribute to the proposed Dry Zone programme, as will support for government-operated pumped irrigation projects (PIP) in Sagaing Region.

Community development approaches

Six LIFT partners (Action Aid/Thadar Consortium, ADRA, HelpAge, Mercy Corps, Oxfam, and the Disabled People's Development Organisation (DPDO)) in the Dry Zone implement their project across 244 villages using a community development approach[54]. All the projects include some capacity-building measures for the local NGOs they are working with. A summary of the IPs' activities and approaches is included in the table on the next page. Although all of these projects are less than two years into implementation, some observations and tentative lessons can be made:

54 *Community Development (CD) is an approach that gives control over planning decisions and investment resources of development projects to local community groups, often at the village level. Community-based organisations (CBOs) are at the core of CD projects. There are five defining characteristics of this approach: (i) a focus on communities and/or community groups (rather than individuals); (ii) a participatory planning process, including inclusive consultations with members of the community; (iii) resources channelled directly to the community; (iv) the community itself is directly involved in project implementation; and (v) the community itself is directly involved in monitoring the progress of implementation, including the quality and costs of inputs and outputs, with recourse to complaints-handling mechanisms as part of the larger project design. These are important principles that generalise a dynamic process of interaction with and within the community. Adapted from the World Bank webpage on community-driven development (CDD Design Elements) http://go.worldbank.org/MUHZG9I0H0.*

- *Establishing new CBOs* is a common and perhaps necessary activity. All LIFT projects using CD approaches have established new CBOs in the villages where they work, which is interesting given that collective action at village level is common and many CBOs already exist in all villages (see section 4.1 for more detail on the most common village-level institutions). However the vast majority of CBOs focus on religious and social activities, or managing social infrastructure, not livelihoods activities. All of the projects acknowledge that long-term accompaniment is needed to support these new CBOs. From the Fund Manager's field visits, most of the new CBOs established are still very much reliant on project funding and technical staff follow-up and their capacities in financial management and control are limited.

- *The experience and skill of village-level facilitators* is a key success factor. ActionAid and the Thadar Consortium support community development through their network of Fellows, young community members who have finished their secondary education (and in some cases tertiary education) and then given an intensive three-month training programme. The Fellows have proven in general to be important catalysts of change. ADRA trained youth leaders (mostly one women in each village) to play a facilitation role in their respective communities.

  The project facilitators employed by most other IPs, on the other hand, are mostly trained in a few days and have to learn by doing. The Mid-Term Review of the Countrywide programme, which included field visits in the Dry Zone, has underlined the limited capacity and experience of field staff working directly with CBOs. They are often recent graduates, young, and full of enthusiasm, but they lack the technical background to deal with the complexities of the project activities.

- *Some interesting participatory planning tools* are being used, which may provide examples for wider scale up. In Action Aid/Thadar and ADRA project villages, the VDC with the support of fellows has developed "village books", which provide situation descriptions and analysis of the village's vulnerability, economy, women's rights, social context, and power relationships. The village books help communities to write village action plans to fill the gaps in village development.

Table 16: Summary of projects using a CD approach

	Action Aid/ Thadar	ADRA/ ActionAid	HAI	Mercy Corps	Oxfam	DPDO
No. of townships/ villages	4 / 37	3 / 50	2 / 30	1 / 41	2 / 63	3 / 23
No. of households	5,465	5,152	4,082	8,200	6,300	1,480
Facilitation at community level	Fellows	NGO staff, Fellows or youth leaders, village agri & livestock extension workers	NGO staff	NGO staff	NGO staff	NGO staff
CBOs established	37 Village development committees (VDCs)	50 VDCs, 99 self-help groups, 10 forest user groups	30 VDCs with sub-groups for livelihoods, health, & fundraising	41 VDCs	34 membership organisations (MOs)	61 self-help groups

	Action Aid/ Thadar	ADRA/ ActionAid	HAI	Mercy Corps	Oxfam	DPDO
Targeting process	Wealth ranking	Wealth ranking	Economic vulnerability survey	Wealth ranking	Based on economic interest of villagers	People with disabilities and elderly exclusively
Approach to inclusion	Work with whole community, but emphasise poorest	Work with whole community, but emphasise poorest	Work with whole community, but emphasise elderly and other vulnerable groups	Work with whole community, but emphasise most vulnerable	Not clear	People with disabilities and elderly exclusively
Community planning tools used	Village book, village-needs assessment	Participatory vulnerability assessment, village book, disaster management plan	Economic Vulnerability Survey and Participatory Rural Appraisal, integrated community action plan (ICAP)	Survey of risks, vulnerabilities, and capacity to adopt technologies, community economic resilience plan	MOs focus on economic needs of members	Micro-project proposals by self-help groups
Project support provided	Revolving funds for agriculture, livestock, small businesses; vocational training	Training; revolving funds; cash/ asset inputs for agriculture, livestock, business, water supply; CfW; vocational training; forest & soil conservation; DRR	Revolving funds; cash & in-kind support for agriculture, livestock, small business, water supply; CfW; training; FFS, nutrition	Free power tillers and seeds to VDC; cash grants for savings groups; VDC loans; animal banks	Initial grant to the MO; technical support through gov't extension officers; collective input purchase and marketing of agricultural produce	Cash & in-kind support for agriculture, livestock, small business through SHGs; revolving funds; savings and credit support
Collaboration with public services	Township-level coordination, agri, forestry and livestock breeding departments	Township-level coordination agri and livestock breeding departments	Dept. of SW, township-level coordination, agri and livestock breeding departments	Township authorities are reportedly reluctant to cooperate with the project	Department of Agriculture, Township Livestock Federation	Dept. of SW, township-level coordination, livestock breeding department
Monitoring and feed-back process	Suggestion box	Information board, feedback mechanism	M&E committees, suggestion box	Transparency board	n/a	n/a

Mercy Corps introduced community economic resilience plans (CERPs) as a planning tool for communities. LIFT field visits showed that these plans were designed mainly by Mercy Corps' staff, and not the communities or SHGs themselves. This appears to have resulted in some confusion, as beneficiaries could not identify how their resilience plan would increase food security. Moreover the views of the staff on viable livelihood activities did not always turn out for the best. For example, the animal feed shops that had been proposed were not economically feasible and had to close.

HelpAge support VDCs to develop integrated community action plans (ICAPs) including, for example, school construction, road rehabilitation, and generators for evening lightning with the proceeds financing pumping water with the same engine. In two villages, the VDCs were able to successfully submit an investment proposal for school construction to the township authorities.

- *Supporting a broad portfolio of activities is challenging most projects*. LIFT's partners in the Dry Zone support a very wide variety of community-based activities, supporting agriculture and livestock activities, small- and medium-sized enterprises, vocational training for landless households, improving access to water and village infrastructure development, and some engagement in environmental rehabilitation. LIFT's Mid-Term Review noted that project staff were often spread too thinly to provide sufficient technical support for the range of activities implemented.

- *Providing support in cash appears preferable to support in kind*. For example, in order to get the best livestock, HAI supported beneficiaries to buy the animals themselves through village procurement committees. A similar process was used by DPDO and ADRA. All partners report that this approach builds VDC capacity to manage collective purchases and account for finances.

  The membership organisations (MOs) set up by Oxfam coordinate members and achieve scale (and reduced costs) in sourcing supplier information, services, and inputs. In Thazi, Oxfam-supported MOs work together with several villages and have received additional 20% discounts on the current price of retail goods, and also arranged free transportation from suppliers to bring goods to villages. One MO with 314 members recently joined the Township Livestock Federation, which gives it access to credit and defends their interests at the township level and beyond.

  Mercy Corps purchased power tillers and other agricultural inputs such as improved seeds and handed them over free of charge to the VDC. Mercy Corp rules do not allow the communities to procure the items themselves. All procurement has to be done by the project. That puts beneficiaries into a recipient-of-aid role that does not support/strengthen newly established village development committees.

- *Some CBOs have been able to link to government service providers*. The VDCs supported by HAI have been able to establish links with the government's agricultural and livestock breeding departments. They have also become active participants at the monthly township-level coordination meetings (involving village-, township-, and government-level stakeholders) and are in general able to represent their interests when dealing with government service providers.

- *There are some good examples of inclusive community development*. One other success worth highlighting is the growth of SHGs' revolving funds established by DPDO. Field monitoring by the Fund Manager has shown that the SHGs are well managed and members are saving regularly, accessing new loans, and repaying loans in a timely fashion. The cumulative revolving fund managed by DPDO increased to US$ 366,527 in 2012. A share of the profits generated by these funds is provided to people with disabilities who are unable to work. Members have access to short-term loans (one month) to address urgent needs in health and education.

Access to water

LIFT is supporting a number of water resource management initiatives to improve access to water in the Dry Zone for both domestic and agricultural use, and this is likely to increase in 2013.

Water for small-scale agriculture and domestic use

Proximity Designs' project has two components that seek to improve water availability for both domestic and agricultural use. The first disseminates low-cost irrigation methods through product-financing loans to rural households, and the second uses cash-for-work to rehabilitate rainwater catchment ponds (removing silt) and increases their water storage capacity for the monsoon rain. The first (product loan) element has made approximately 7,000 loans to support the sale of over 21,000 irrigation products. This included the use of treadle pumps to access groundwater, which in general has been well received by farmers. Some villagers have noted that the equipment was defective and needed replacement.

The second component of the Proximity Designs project is providing household water supply for 695 villages. While there have been some delays, 216 ponds were completed in 2012 where 427,616 job opportunities were created and each household participating in the CfW received $40 for their work. Proximity Design reported that their beneficiaries increased their access to water by 2.5 months due to this project. From an assessment of this component conducted by the Fund Manager, the main finding was that the ponds were serving their main purpose effectively (providing much-needed water for villages during the dry season), but that greater impact would be possible if Proximity devoted more engineering expertise and more time to each pond rehabilitation. These inputs would improve the quality of the infrastructure (spillways, filters and fencing) as well as strengthen community management of the ponds. However, Proximity's project design includes an ambitious target of rehabilitating 695 ponds, which is why staff time and material inputs for each pond are kept relatively low. Discussions are still on-going between Proximity and the Fund Manager to find an appropriate balance between scale and quality.

The ADRA/Action Aid project integrates the provision of water for household consumption and home gardens within their village development plans. These installations include village dams and spillways, water filters, tanks, pipes, and water points. All targeted activities were completed and 37 villages had water supply for drinking and domestic uses by the end of 2012. The project was successful in ensuring that 30% (1,442 households) of the 4,804 households were able to increase their access to water to an average of 175 gals per day/household (29 gals/person). The ADRA/Action Aid project also promotes land rehabilitation through water harvesting and soil conservation methods, including pond rehabilitation and gravity-fed water supply systems. In some case, however, the ponds have taken more than one monsoon season to fill.

Water retention techniques in agriculture[55]

After receiving training on soil conservation techniques, the ADRA/ActionAid villagers built siltation ditches[56] and soil contour bunds over 20 acres in 40 villages using cash-for-work funds. The contour bunds allow rainwater to seep through the soil, limiting the erosion and damage of heavy rains. LIFT's *Mid-Term Review* reported some villagers stating that prior to the work, their land was uncultivable but that during the last monsoon season the bunds proved successful and they were able to grow sesame, peanuts, and pulses.

Pumped irrigation projects (PIPs)

In 2011, LIFT commissioned a scoping mission to assess the prospects for LIFT to support existing pumped irrigation projects (PIP) in Sagaing, Magway, and Mandalay. The study recommended that LIFT support MoAI to upgrade four pumped irrigation schemes (two in Magway and two in Sagaing). A follow-up mission in September 2012 designed a project to support 2,130 households in 18 villages with a total irrigated area of 3,622 acres.

The objective of the intervention is to improve the operation and maintenance of the PIPs so that they provide greater benefits to small-scale farmers. This will be done by strengthening the technical capacities of the stakeholders involved in the management and operation of the PIPs with an emphasis on the role of farmers and water users associations. The project will also focus on extension services for farmers with

55 *ADRA/ActionAid is the only LIFT IP which implemented water retention activities in the Dry Zone.*

56 *Soil sediment canals*

the objective of introducing improved cropping practices to boost yields. Upgrading and rehabilitating the technical aspects of the PIPs (pumping stations and canals) will also be required. The project also includes a strong component on training and capacity building for government partner agencies and staff.

The existing project design requires more information and analysis concerning the participation of the communities and the institutional arrangements of the participating government organisations to improve the measures for project sustainability[57]. A follow up mission is planned in 2013 in order to fine-tune the design of the project. The mission is being planned in collaboration with the French Development Agency (AFD), which is also planning some investments in pumped irrigation schemes in the Dry Zone.

Water resource management
In late 2012, LIFT contracted IWMI to conduct a study to identify priority actions for improved access to and management of water resources in the Dry Zone. IWMI will conduct a broad assessment of how much water is available for both domestic and agricultural use, the key constraints to availability and access, and household mitigating and coping strategies. This study will also identify priority measures and investment options to address key water related concerns that affect agricultural production (including livestock) and domestic water consumption.

Access to markets

According to LIFT's Baseline Study, 86% of farmers that sold their harvest in the preceding 12 months claimed to have had price information from informal sources (family/friends 70% and dealers/brokers 60% prior to selling[58]. The study also illuminated that farmers rarely create groups to improve their bargaining power and that only 10% of farmers claimed to sell part of their produce collaboratively with other farmers. Many farmers also sell their crops to brokers' immediately after harvest (regardless of the price offered) due to lack of proper storage facilities, high interest rates on agricultural loans from the informal sector, and the high cost of transport to market towns. Out of the 41 townships covered by LIFT projects, only eight townships have formal commodity wholesale centres where rural produce is traded. This lack of market access makes rural communities vulnerable to prices set by local traders.

A study done by Mercy Corps found that farmers appeared to have access to good market information regarding pulses for both local and national markets. The research indicated that this was likely a reflection of the relative sophistication of, and government interest in, the pulses market in Myanmar, leading to a greater availability of price information through mobile phones, radio, and Internet services.

LIFT partners in the Dry Zone provided market information services through the following approaches:

Daily radio broadcasts
The Myanmar Business Coalition on AIDS (MBCA) project has been supporting Padamya FM radio in broadcasting daily market price information to more than 200 villages within 41 townships where LIFT partners are operating. The information mainly covers prices of pulses and beans traded daily in three main commodity exchange centres: Monywa, Pakokku, and Mandalay. A review of the project's impact showed that the farmers assigned family members (women in particular) to listen to the price information.

However, according to MBCA, the market information is less useful for the targeted small-scale farmers than for medium- and large-size farmers and traders. The reason is that almost 80% of small-scale households need to turn over at least 50% of their agricultural produce at harvest time in order to repay their loans. The rest is sold within a few days of their harvest because it is difficult and costly to store. Nonetheless, price information at the end of the season does help small farmers make planting decisions for the next

57 *Modified institutional arrangements will be required because of the plan to devolve responsibility for operation and maintenance of all irrigation schemes to regional and state governments from 1 April 2013.*
58 *LIFT Baseline Study, 2012.*

year. Financial support, either in terms of cash or access to credit, is critical. MBCA is seeking to link with MFIs to address with this issue.

Better access to traders

Another missing element is wider linkages with business people. To address this, MBCA provided updated buyers' guidebooks that include the contact details of traders interested in co-operating with projects. However, the ability of farmers to find better markets is also limited by the variable quality of their agricultural produce. Transportation costs and commission to brokers can also affect farmers' abilities to sell their produce for the best price, especially if the best price is with traders from different regions and involves additional transportation costs.

Information sharing through face-to-face meetings

Oxfam organised market meetings, workshops and a trade fair to provide market information to farmers. As a result of these meetings, the membership organisations (MOs) were able to access quality sesame seeds (higher purity and with low acid levels) and collectively negotiate for higher prices for their produce. According to Oxfam due to this exposure, the MO's women members have begun to network better and developed confidence to start their own small businesses.

Physical marketplace infrastructure

MBCA is working to establish commodity exchange centres in Seik Phyu, Yenanchaung and Meikhtilar townships. By the end of 2012, the Seik Phyu commodity exchange centre was already operating out of a temporary structure. Although assessments are not available, both farmers and the traders appear eager to support the commodities exchange. The farmers want to obtain a better price and the traders want to source produce at one place without having to visit many farmers (see box below for details on how the exchanges work). As a result, MBCA and the traders from Seik Phyu are sharing the cost to buy the land and construct a permanent office building. The opening ceremony is anticipated to take place in April 2013. The Yenanchaung Commodity exchange centre was officially opened in January 2013 in a temporary facility rented from the Ministry of Commerce. Following the example of the Seik Phyu commodity exchange centre, Yenanchaung traders have also started with onions. The project is currently negotiating with traders to build a permanent site.

Case study of the newly-established Seik Phyu commodity exchange centre (CEC)

The major agricultural product of Seik Phyu township is onion, which can be grown three seasons a year. The CEC opened in 2012 and serves as a new onion market for both farmers and traders. Onion farmers from 223 villages of three townships (Seik Phyu, Pauk and Salin) can access the centre.

According to farmers at the centre they previously had to sell their onions to local brokers who came to their village. Last year, the farmers got paid about Kyat 450 per viss while the market price in Seik Phyu was about Kyat 700. At the centre, the farmers can sell their onions to the trader who gives the highest price because the onions are sold by auction. For selling through auction, a farmer has to consign the onions to a trader who is a member of the centre. For this consignment, the farmer pays 2% of the amount of money received after sale of the commodity. In September 2012, average daily trade in onions was 18,886 viss (roughly US$ 15,000).

In exchange for the 2% consignment fee, the trader has to provide the following services to the farmers:

- cash payment after selling the commodity
- advance cash payment before the commodity has been sold (the amount of advance cash depends on the negotiation)
- storage in the warehouse
- guarantee to use the standard weighing system

There are two main challenges for the sustainability of the centre:

1. The centre opened at a temporary place in the compound of the bus terminal, which is owned by Township. The centre committee is looking for a piece of land to set up the permanent CEC. The increasing price of land is a major challenge for the committee. The committee has found two suitable places and the negotiation is in process to purchase one of them.
2. The committee has plans to open trading of pulses and beans. However, in Seik Phyu, there are only a few major traders for pulses and beans and they are reluctant to alter the current informal trading over which they have strong control.

Information from a FMO field visit to the centre on 8 Nov 2012.

3.3 Hilly Region

Description of the area

Agriculture is the most important source of household income for 61% of the households in this area. However, one-fourth of households are landless. Causal 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%[59].

There are significant differences in livelihood patterns between villages situated in valleys and villages situated in the highlands. Villages situated in valleys tend to have better livelihood options with access to paddy land and better access to markets. In highland areas shifting cultivation is common; farmers clear mountain land and cultivate upland rice and maize[60] to meet family consumption needs. Farmers grow other crops such as maize, wheat, potatoes, and soya beans with upland rice or after the rice-growing season. This creates a good demand for labour for planting and weeding. Depending on demographic pressure (and this varies considerably across the Hilly Region) farmers crop the same parcels for increasingly long periods of time leading to decreases in soil fertility. As the slopes are often steep, soil erosion is a significant issue[61].

59 *LIFT's Baseline Survey Report, 2012.*
60 *In some parts of Chin State maize is the staple crop.*
61 *SHWE Tin Maung: Background Paper for the Development Policy Options, Agriculture Development Issues and Strategies, Myanmar 2011.*

Table 17: Land area cropped in selected states in the Hilly Region

	Total area cultivated (acres)	Shifting cultivation (acres)	% shifting under cultivation
Total for Myanmar	31,615,098	428,269	1.4%
Shan south	790,388	13,816	1.7%
Shan north	992,727	87,320	8.8%
Shan east	188,126	16,075	8.5%
Kachin	817,369	21,981	2.7%
Chin	215,222	124,853	58.0%

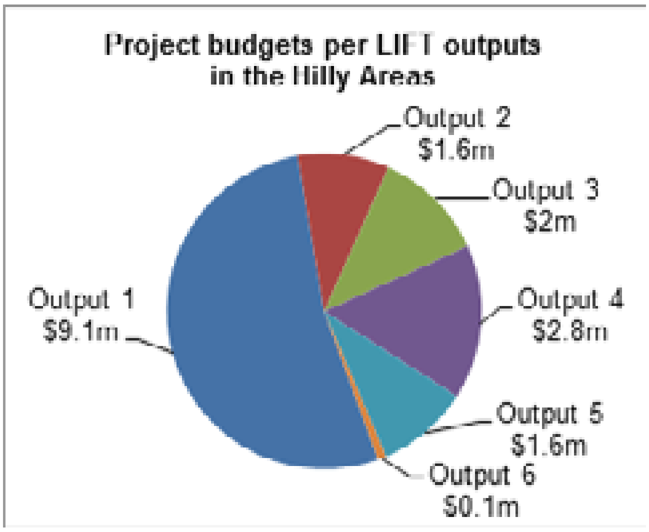
Source: Report on Myanmar Census of Agriculture (2010), State Land Records Department

The profit potential of hybrid maize is attracting an increasing numbers of farmers in Shan State but the use of pesticides is also presenting health hazards[62]. Livestock is an essential part of the household economy in the Hilly Region. Due to a limited access to markets and banking services, livestock are often used as an investment and for emergency needs.

Households in the region typically have larger families than the national average with more than five members and 36% of the population is under 15 years of age[63]. The majority of Myanmar's ethnic minorities live in the Hilly Region and armed conflict continues to be a major constraint on livelihoods in some areas, particularly in Kachin.

LIFT's activities in the Hilly Region

LIFT is working in parts of the Hilly Region, specifically in Shan, Kachin, and Chin States. LIFT-funded projects aim to help upland farmers increase crop yields through training in new and improved farming techniques. By the end of 2012, LIFT had seven on-going partnership agreements in the Hilly Region totalling US$17.2 million. These projects provide support to improve agricultural yields and expand opportunities for vocational training.



Farmers participate in Farmer Field Schools (FFS) to learn new agricultural methods and are also supported by microfinance projects. Care's tea value chain project in Kokang is the only LIFT intervention focusing on value chains in the Hilly Region. It is envisaged that the project will provide valuable lessons on local production needs and markets. At a later stage, other areas previously affected by conflicts may open up opportunities for LIFT to support livelihood interventions, especially in Kachin and Shan States.

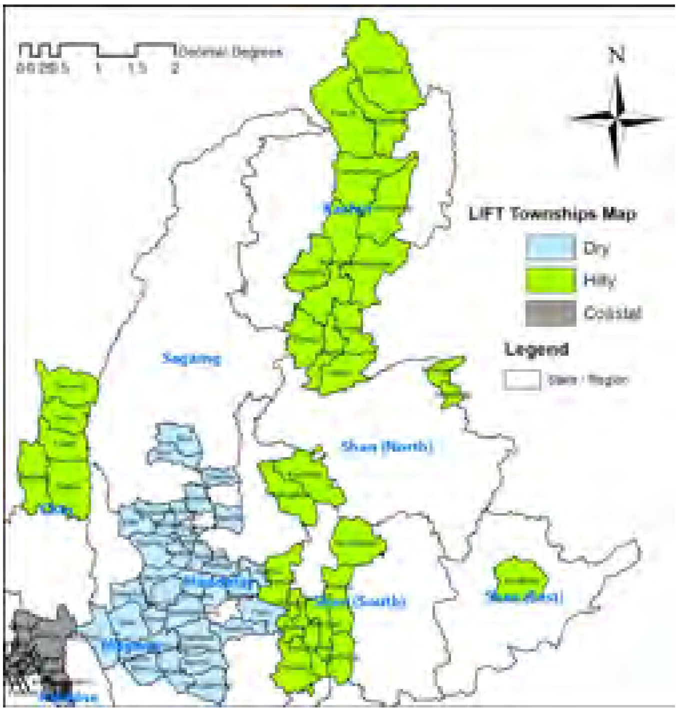
Of the seven LIFT-funded projects currently operational in the Hilly region, three are due to finish in late 2013; the remainder will finish in 2014. The largest proportion of the US$9 million budget has been allocated for agriculture-related activities (Output 1).

Innovative financial services including wholesale financing CBOs in Chin State

UNDP/GRET's microfinance project in Chin provides wholesale loans to self-reliant groups (SRGs), which were established by an earlier UNDP project called *Community Development for Remote Townships*, which finished in 2012. The objective of the wholesale loan is to develop the lending of the SRGs and not to in-

62 *According to Metta, there are reports of many farmers developing health problems and almost 30 deaths as a result of pesticide poisoning in Northern Shan. These pesticides are imported from China and have all instructions in Chinese.*
63 *LIFT's Baseline Survey Report, 2012.*

tervene in the SRG processes[64]. In order to learn more about the SRGs, GRET conducted a mission in June 2012 to assess the SRG's need for additional cash, design a loan product adapted to those needs, define the processes to be put in place before launching this product, and establish a pilot and a possible roll-out plan.



GRET conducted surveys of 70 SRGs in four townships and based on the findings, application forms were delivered to two townships (Hakha and Falam) with 38 groups applying for wholesale loans[65]. By the end of 2012, GRET had disbursed only five wholesale loans, with a total value of just US$11,500, despite 38 SRGs submitting applications. Progress is slow as GRET found that some of the SRG's that had applied for the wholesale loan were not functioning and will provide loans only after conducting additional evaluations on the SRG's capacity.

During this period, GRET also conducted a feasibility study in southern Chin State. This study showed that an extension of GRET's Chin MFI into southern Chin was not possible in the short term. More generally, the development of a structured MFI would be complicated due to the geographical, sociological, and economic environment in southern Chin. The GRET study determined that the area needed a more holistic development approach in which financing would be just one aspect among others. GRET reported that a more decentralised financial services model would be more suitable for the area.

Support for Shan farmers to compete with foreign imports

LIFT continues to fund the UNDP/Pact project that operates in Shan State. This project has found that most people, especially in the northern Shan area, lack sufficient business skills to compete with Chinese imports. Agricultural activities are the traditional livelihood with farmers growing tea and fruit such as pineapples, apples, and oranges. However, processed tea and fruits from China dominate markets in Shan State with their distinctive packaging and labelling and low prices.

UNDP and its partners determined that clients would benefit from training in food processing and financial support to invest in the necessary processing equipment (e.g., packaging machines) so that farmers can sell the processed food in the markets at the same time as selling their raw farm produce. GRET's pilot in the Delta where they are leasing equipment to farmers may be a financing model that can be offered to farmers in Shan State as well. The agro-ecological diversity of Shan State provides many opportunities to develop niche products, but Care's tea value chain project in Kokang is the only LIFT intervention focusing on a specific value chain in the Hilly Region.

Farmer Field Schools

The agricultural extension service in Myanmar, under the Department of Agriculture, has traditionally provided educational activities, collected statistical data, enforced standard weights and measures, as well as procured and distributed improved seeds, farm implements, fertilisers, and insecticides. However, extension work concentrated on the distribution of improved seeds and input delivery, and was narrowly focused on improving yields without sufficient attention given to the diverse needs of individual farmers. This nega-

64 *Reimbursement rate (repayment rate) is not applicable during the reporting period as the first repayment will due in 2013.*
65 *UNDP had earlier assessed the maturity of the SRGs in the four townships. The results of Hakha and Falam were shared by UNDP with the GRET project. According to the UNDP results, 72 SRGs in Hakha and 120 SRGs in Falam are self-sustaining.*

tively affected farmers who instead of adapting to Myanmar's diverse local agro-ecological conditions began growing and planting crops according to national directives.

Farmer Field Schools (FFS) have become an alternative approach in some places for helping farmers to assess locally appropriate technical options and to make decisions on what crops to plant and how to plant them. LIFT partners train facilitators to run weekly or bi-weekly sessions on agricultural techniques with farmers in their own fields. In 2012, LIFT's partners taught theory and ran practical sessions on seedbed preparation, transplanting, fertiliser and pesticide use, and post-harvest management.

The basics of Farmer Field Schools

Farmer Field Schools offer farmers an opportunity to explore a range of crop issues that enables them to make better decisions. FFSs aim to:
- Empower farmers with knowledge and skills to make them experts in their own fields;
- Sharpen farmers' abilities to make critical and informed decisions;
- Encourage problem solving and new ways of thinking;
- Help farmers learn how to organise themselves and their communities;
- Network with the private sector and government extension services; and
- Make crop production profitable and sustainable.

In order to conduct a successful FFS there are important elements to consider. The schools require:
- A strong technical/scientific entry point;
- Flexible, learner-centred approaches to education;
- A common vision (where does the group want to be in a certain period of time?);
- A "champion" or "champions" committed to the mission of the group;
- Supportive environments (in terms of government policies);
- A coordination system working with a wide and expanding group of stakeholders/institutions;
- Innovative opinion leaders and farmers with different farm sizes; and
- Relevant technical content that is adapted to local conditions.

In addition to these elements, it is also important to ensure that FFSs are conducted in an optimal learning environment. The meetings should take place on farmers' land. This ensures farmers remain committed to hosting and participating in the meetings.

Four LIFT partners in the Hilly Region run FFSs: Mercy Corps in Chin State; SWISSAID and Metta in Shan and Kachin States; and CESVI in northern Shan State. The FFSs in these projects focus on crop production, mainly irrigated and rain-fed paddy. Several FFSs focus on wheat, maize, and soybean cultivation. Use of the FFS approach however, is not always possible. Farmers in Chin State requested not to use the FFS approach as many Chin farmers are not permanently in the village during the cultivation season and cannot meet regularly. GRET has responded by training village farmer facilitators, using some topics from the FFSs, who then establish an on-farm demonstration plot to train their peers. The training focuses on technical issues such as rice intensification systems, organic fertilisation, integrated pest management (IPM), and agro-forestry, but is unable to provide the same level of background as the FFSs do.

Table 18: LIFT projects that support Farmer Field Schools in the Hilly Region[66]

		Metta	Mercy Corps/AYO	CESVI	SWISSAID
Region		Southern Shan, Kachin	Chin	Northern Shan	Shan, Kachin
No. of villages		160	20	20	14
Monsoon season	No. of monsoon FFS	160	20	20	3
	Attendance in 2012	2,461 farmers	334 farmers	400 farmers	70 farmers
	Crops covered	Upland and lowland paddy	maize, paddy, sulphur beans	Upland and lowland paddy	Upland paddy
	Main topics in the curriculum	Upland rice, SRI, agro-ecosystem analysis, soil conservation, pest management, improved sowing methods63	SRI, low-land and upland paddy	Water and soil conservation, fertiliser application, intercropping, sustainable agriculture	SRI, agro-ecosystem analysis, double cropping, pest management
Dry/ winter season	No. dry/ winter season FFS	0	3	20	0
	Attendance in 2012		Not available	193	
	Crops covered		tomato, potato, wheat, & cabbage	soybeans and wheat	
Champion		Village facilitators	Agriculture development officers	Key farmers	FFS facilitators
Adoption rates of new methods/tools introduced		65% for new methods; 40% for new tools (50% in southern Shan and 20% in Kachin)*	52%	70%	71%
Increase observed in yield/income		30 – 50%	100% for SRI* 60% for maize**	15% of farmers reported >5% increase***	30 – 40%

66 *The main tools and methods introduced in 2012 were rakes, seeders, weeders, and the saltwater seed selection method. The new methodologies are row seeding/ planting, single-plant transplanting, transplanting after four weeks, and the use of organic pesticides and fertilisers.*

* *The project reports that the adoption rate of new methods was 65% and the adoption rate of new tools (rakes, seeders, and weeders) was around 40% (50% in Shan State and 20% in Kachin). The number of farmers with increased upland paddy yields of less than 10 baskets per acre is about 40%. The fields in southern Shan are flat and so the farmers were more readily able to adopt the methods and tools promoted than those in Kachin. Metta also reports that FFS farmers have a higher yield than other farmers in the village, but they do not provide details. All reports compare the FFS yield with the yield of the same field from the previous year.*

All the FFSs supported by LIFT IPs have the same purpose: to increase crop production by providing new methods and/or tools, and to educate farmers on the effectiveness and impact of their methods. However field visits and IP reports show that some FFSs are more successful than others in supporting improved results for farmers. From results so far, and many of the FFS have only been operational for one calendar year, the key factors that appear to be influencing the success of the FFS are explained below:

- *Adapting the curriculum to local conditions and the priorities of farmers.* The Fund Manager's monitoring visits show that many of the FFSs do not in reality offer flexible and learner-centred approaches and curricula are not always adapted to the local environment. A learner-centred approach should involve facilitators adapting the technical content and tools to the location and the conditions under which farmers work. Metta has used the same curriculum and offered similar tools in flatter regions of southern Shan as in hilly areas of northern Kachin. The tools are not well suited to Kachin farmers as they can only be used on flatter fields[67].

- *Ensuring availability of good-quality learning materials.* The lack of suitable IEC material is a weakness of nearly all LIFT-supported FFSs. Projects have limited quality information, education, and communication (IEC) materials that can be left with farmers. In some cases the material is handwritten and drawn by farmers (Metta); in other cases it is a combination of colour pictures (necessary to identify disease and pests) and hand-written material (CESVI). FSWG has produced materials that CESVI is using. Only SWISSAID has provided colourful posters that stay in the villages and can benefit farmers in later years. The beneficiaries are adults with limited formal education and their efforts to learn and understand the concepts on crop production need to be supported by good visual materials.

- *Identifying and supporting local FFS "champions".* FFS champions are not widely used, yet some IP reports indicate that it is a practice that works. A good example is CESVI, which trains key farmers, and in some cases other landowners, for three days before the FFS starts. The champions are chosen for their interest in taking a lead, and their ability to embrace new ideas and to apply lessons learned. These farmers are the links that keep the groups together and can be successful if the right farmers are selected.

- *Employing FFS facilitators that have a reasonable grounding in agronomy.* Experience is showing that having a trained agronomist is more effective than using farmers as facilitators. Mercy Corps and CESVI use agronomists as facilitators, while Metta trains farmers for three months to become facilitators. Metta is finding that their farmer facilitators are limited to addressing issues specifically covered by their FFS training topics. They do not have the necessary background to go beyond and address technical matters that were not part of their training.

  In Metta projects, the same individual acts as a champion, resource person, and facilitator. LIFT's monitoring visits to Kachin State indicate that the facilitators often feel overwhelmed by their responsibilities and say they would like to receive more support on technical matters.

- *Linking the FFS to government extension agents wherever possible.* Nearly all FFSs fail to include government extension services in any significant way. Only Mawkkon Local Development Organisation (MKLDO), a Shan organisation and a SWISSAID partner in eastern Shan State, closely coordinated with the DoA in Kengtung for the provision of technical assistance and support during the FFS sessions.

** For paddy, US$117 worth of inputs could produce $706 of income. Farmers looking for a low level of investment preferred the sulphur bean. In this case, one acre requires only $41 of investment and produces up to $82 worth of beans per acre.*

*** Farmers who grew the new maize required US$82 worth of inputs (which were provided by the project) but their fields produced US$235 worth of crops per acre.*

**** Farmers reported that 2012 was much drier than the average year.*

67 An interesting and unforeseen side effect of the introduction of weeders is that the weeding previously done by women over a period of several weeks is now completed by men within a few hours. Weeding used to be an activity that provided women an income during the paddy season. This loss of income may have negative consequences and needs to be investigated further.

In other LIFT projects, IPs staff are often unaware that staff from the DoA's plant protection division are responsible for FFSs[68]. The actual agricultural extension staff (formerly MAS) are often not familiar with the FFS concept. To resolve this, LIFT has been encouraging partners to include extension officers in their field visits and school sessions. Doing so will help government extension staff to understand the work of the FFSs, provide support on technical issues to the facilitators, get to know the villages better, and engage in a better partnership with them.

It should be noted that the relationship of farmers with government extension workers goes beyond providing advice. Extension workers are also responsible for reporting on what farmers grow. Given the government's current regulations directing land use, pricing policy, etc., this makes farmers reluctant to engage in a trusting relationship with extension officers.

The networking component of FFSs should also go beyond reporting to local government. Farmers can learn from nearby villages and other FFS groups in the area. To initiate such networking, CESVI and Metta conducted famer visits to other FFSs that were well received by the farmers. To make the network more sustainable the focus should be on neighbouring villages because farmers cannot afford to travel far.

Training with and without FFSs

A few LIFT partners are providing training to farmers without using the FFS approach. LIFT field visits suggest that even fairly comprehensive training (i.e., up to two weeks) often falls short of the results using of FFSs. These trainings seldom allow the exchange of views and experiences that FFSs do. The *Mid-Term Review* also questions the utility of farmer training that provides information to farmers without sufficient opportunity for farmers to understand the implications of the information for their particular farm conditions. This takes time and the FFSs offer good opportunities to demonstrate results for poor farmers, which encourages adoption of new techniques.

Most important is that the FFS approach and the methods used fit with the agro-ecological environment. While Metta has had good results in southern Shan State, the promotion of the same methods and tools were less successful in northern Kachin, apart from the use of the saltwater seed selection system. CESVI has applied a more adaptive approach in different areas, even between townships, with better results. Their FFSs were tailored to the different needs of upland and lowland paddy. SRI, for example, is only practiced in lowland paddy fields.

FFSs are also successful if they start a process that will continue once the project ends. In all villages, the monitoring visits show how impressed farmers are by the progress they can make by working together. In Metta-supported FFS, women were best at learning the more theoretical topics and they proudly demonstrated their new knowledge and skills. Even though Dry Zone yields were lower in 2012 due to the lack of rain, farmers said

Promotion of compost fertiliser

Most FFSs promote the use of compost in the field. Compost making however, is a relatively time consuming task and the amount of compost that is needed in the field is huge if any significant benefit is to result. The Mid-Term Review found that farmers typically do not continue with compost making, because they prefer to use industrial fertilisers or revert to their own traditional composting methods. The report states that compost making is not in line with local needs or requirements. CESVI is aware of this problem and is trying to identify a green manure crop that is manageable and effective at increasing the organic soil matter. Proximity Designs is already using green manure plants in the Delta and could help projects in the Hilly Region to introduce green manure.

68 Former MAS (Myanmar's agricultural extension service) now DoA is responsible for extension services. At the national level there is a section for plant protection within DoA. This division, which is at the township level, often has only a single officer. While the mainstream extension officers often do not know FFSs, the plant protection people know them very well and the government indeed conducts FFSs that focus on plant protection.

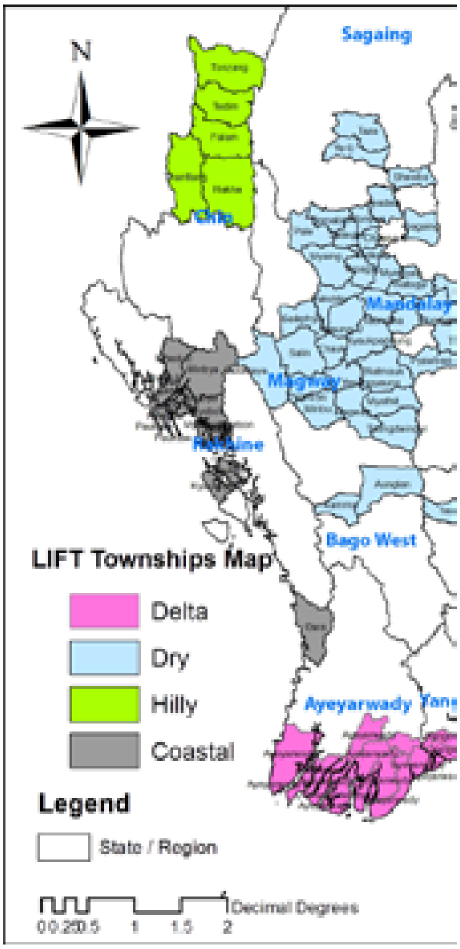
that they still benefited from FFSs and the tools and methods that were promoted. They said they would be keen for more. The main value of FFSs is to motivate farmers to experiment on their own fields with good technical guidance, engage in peer education, and learn from one other while conducting fieldwork. This hands-on approach creates a momentum that motivates farmers to continue with the FFSs even without project support.

3.4 Coastal Region

Description of the area

Rakhine State is one of the least developed areas in Myanmar, and suffers from a number of chronic challenges including extreme weather, malnutrition, poverty, weak infrastructure, and violent conflicts. The 2012 monsoon paddy harvest is expected to be poor because of two rounds of communal violence during the year; some paddy crops were destroyed and restrictions on movement and displacement left other fields inaccessible for cultivation[69]. Additionally, many livestock have been lost, further depleting the coping capacities of households[70].

Even before the communal violence Rakhine had some of the lowest agricultural yields in the country. Most of the arable land, at least in the Cyclone Giri-affected areas where LIFT plans to work most intensely, was originally mangrove swamp, which means that the soil is inherently poor and requires substantial amounts of fertiliser to achieve reasonable production levels. Farmers grow pulses inland, but they rarely do so in the coastal areas because of the limited availability of freshwater outside of the monsoon season, as well as 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.



Communities rely on fishing, farming and forest resources, including mangroves, for their basic needs. Encroachment into the mangroves, which is the main source of firewood for many local communities, is widespread. In many areas, there are almost no roads. Most travel is by boat or along embankment paths. Many villages can use boats only at high tide.

Even though Rakhine State has some of the highest rainfall in Myanmar during the monsoon season, the area suffers from acute water shortages during the dry season due to inadequate water storage. Freshwater shortages are a chronic problem in the low-lying areas of Rakhine State with groundwater contaminated by saltwater. The majority of villages rely exclusively on collecting water in open ponds during the rainy season. Lack of water storage infrastructure prevents cropping during the winter season.

According to LIFT's *Baseline Survey Report*, 68% of households in the Cyclone Giri affected area are landless and 65% of the households in the coastal area reported increased indebtedness over the past year. Over 62%[71] 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 those without land[72].

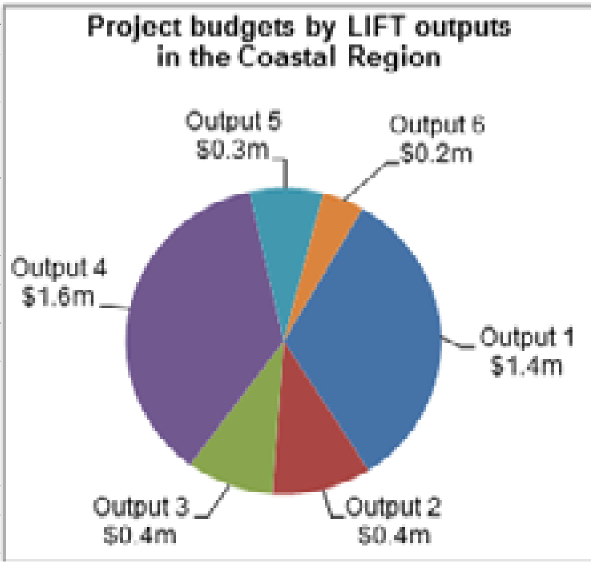
69 *WFP Monthly Food Security, Nov 2012.*
70 *Ibid*
71 *The higher percentage of landless can be explained by the fact that fisher families are also counted as landless, but not all engage in casual labour.*
72 *LIFT's Baseline Survey Report, 2012.*

LIFT's activities in the Coastal Region

LIFT's total project allocation to the Coastal Region was for three projects amounting to $4.3 million over three years (4% of LIFT's allocation to projects). Of the $4.3m allocated to the region in project funding only $1.1m had been spent by the end of the year. This will rise significantly with the start of the $22m Tat Lan programme in early 2013.

By the end of 2012, three LIFT-funded projects were active in Rakhine State: MERN, Mercy Corps, and Oxfam (with Better Life Organisation). In Gwa Township, MERN's project focuses on mangrove protection and rehabilitation (Output 3), some of which will be done partly through cash-for-work activities (Output 4). MERN's project, which accounted for the majority of project funding to Rakhine in 2012, underwent a significant and necessary re-design early in the year. The project upgraded 1,609 acres of mangrove (the 2012 milestone is 700 acres) and it has made good progress in obtaining mangrove management rights from the government for 42 villages.

In Mrauk-U Township, Mercy Corps is implementing a three-year project to increase agricultural productivity, create income-generating opportunities, and assist communities in building resilience to natural disasters. The communal violence that erupted across large parts of Rakhine in June and in October 2012 disrupted Mercy Corps' project in Mrauk-U. Some project activities were cancelled due to restrictions on travel imposed by the authorities and many farmers did take out loans they were unsure whether or not they would be able to access their fields. The MERN project in southern Rakhine was not impacted by the conflict.



The violence delayed and complicated the Tat Lan design process. Despite this, in little over 12 months LIFT was able design and contract a programme, which is focused on: the rehabilitation of embankments and sluice gates, dams for irrigation, potable water and nutrition security, fisheries management, improved production technologies for rice and crop diversification, and innovative savings and credit services. The Tat Lan design is significant for LIFT in that it marks a shift in the programme design approach previously used by LIFT. Rather than seeking proposals from prospective implementation partners (as was done for the Delta and Country-wide programmes), LIFT designed the Tat Lan programme to a significant degree of detail before tendering for implementing agencies.

Mangrove rehabilitation

The MERN project in southern Rakhine State focuses on natural resource management and environmental protection of the mangroves along the seashore and water ways. The project's main focus is on mangrove rehabilitation and sustainable management of the mangroves to support the livelihoods of the nearby villages. MERN, a consortium of six local organisations with varying levels of technical expertise and management capacity, is implementing the project in collaboration with the Department of Forestry at state and national level.

The project established village-based organisations to take responsibility for managing the mangroves. Forest User Groups were established to manage project inputs and organise reforestation activities. The FUGs, village conservation committees (VCC) – analogous to VDCs for many other projects - and project staff received technical and managerial training and have started to implement activities. A total mangrove area of 1,609 acres (the 2012 milestone is 700 acres) has been upgraded through plantation, enrichment planting and regeneration improvement felling (RIF)[73] since the beginning of project. The RIF activity is below target (41% of the milestone), mainly because of internal coordination problems within the consortium. The enrichment planting is also facing difficulties (14% of the milestone) because the mangrove seeds are only availably seasonally[74] and this was not taken into consideration when the milestones were established.

The plantation work was done through cash-for-work. In 2012, MERN provided 1,181 households short-term employment during the plantation work, totalling 16,849 person days. The villagers were paid $2.60 per day out of which they paid 10% per day to the saving groups that are managed by the village conservation committees. The average amount received per household was $35, which may have been helpful to these households, but is unlikely to have made a significant impact on these households in terms of food security.

The successful management of mangroves is depended on cooperation between villagers and the authorities and MERN has successfully facilitated a negotiation process between project villages and DoF, which has agreed mangrove boundary demarcations in order to avoid future land conflicts. Applications were submitted to the township's Forest Department to get 30-year land lease for community forests. After the community forests lease is approved by the Settlement and Land Record Department (SLRD), the Forest User Group (FUGs) will be able to manage the rehabilitated areas. FUGs will begin accruing benefits only after 10 years when the mangroves trees are fully grown.

In each target village, one Forest User Group (FUG) was set up under a Village Conservation Committee (VCC). As of December 2012, 40 FUGs were set up and 1,312 acres of mangrove forests were felled and in its place 847 acres of community forests were planted in six villages (217 acres of mangrove and 630 acres of evergreen forests). MERN also provided $66 to $78 to each FUG member to establish a community forests plot. The remaining money was invested by the FUG members into income generating activities (agriculture, livestock breeding, and fisheries).

However, the project has faced a number of problems since its inception, the most important of them being an overambitious project design and weak coordination amongst the six consortium members. The first problem was satisfactorily resolved in early 2012 through a major re-design of the project. The original design overestimated the number of villages within the mangrove forest. It turns out that for some of the target villages planning fruit trees and timber trees is much more appropriate than regenerating mangrove. Instead of 15 villages only four will now participate in the mangrove forest activities; the remaining villages will conduct community forest activities and other relevant activities for evergreen/non-mangrove forests. Overall the target for joint conservation of coastal mangrove areas was reduced from 20,000 acres to 4,500 acres, including mangrove and non-mangrove community forests.

The problem of coordination amongst the consortium members, however, appears to be an on-going issue. The Project Coordinator continues to face difficulties in getting consortium members to take decisions in a timely manner. More discussions within the consortium are needed to make the cultures of the various organisations compatible with the overall project implementation.

Access to Finance

The Tat Lan programme, which will start in early 2013, will be an opportunity to refine the model by pilot-

73 *Plantations are established in nearly depleted mangrove areas (>80% depletion). Usually 1,210 seedlings per acre are used to establish the plantation. Enrichment planting is used in areas where up to 80% of the mangroves are degraded (i.e., there is a low density of mangroves and there are gaps that need to be filled) and includes clearing of wounded branches and unhealthy trees that inhibit vigorous vegetative growth. Usually 2,420 seedlings per acre are planted. Regeneration improvement felling (RIF) is the selective felling of unwanted trees and cutting of branches to enhance natural regeneration and vegetative growth of the standing trees.*

74 *All trees flower only at certain time in the year and only then seeds can be collected by villagers. These seeds need to be planted in nurseries and have a certain size to be ready for planting. Usually trees are planted at the beginning of the rainy season to ensure survival, but in the mangroves the water supply is not an issue. There is no market for mangrove seeds and seedlings.*

ing two different approaches based on Village Saving and Loan Associations (VSLAs)[75].
The programme will provide savings and credit services, adhering closely to the internationally-tested model of VSLAs, which are self-selecting groups that are self-managed and self-funded. VSLAs are particularly suited to communities that are rural, remote, and share similar socio-economic characteristics, as is true of the communities in the Tat Lan area. Experience from overseas and from the IP's prior work in Myanmar[76] shows that the VSLAs can become mature enough to manage the group's funds independently within one year in the right conditions, and they can stay in business for years and multiply in number.

Design of the new Tat Lan programme

LIFT's main focus in the Coastal Region in 2012 was the development of an integrated programme of support for the four Rakhine townships worst hit by Cyclone Giri in 2010. LIFT contracted the Food and Agriculture Organisation's (FAO) Investment Centre to help develop the programme design. Two separate studies were also conducted, a study on the state of embankments in the area[77] and another study on the shrimp value chain, both of which informed the design.

The programme formulation mission, led by the FAO Investment Centre, took place in March 2012. The outcome was a design document for a programme called the Tat Lan[78] Sustainable Food Security and Livelihoods Programme. In line with the terms of reference they were given, the programme first proposed by the FAO Investment Centre included very little cooperation with local government. However, the suspension of EU sanctions in April 2012, and the strong support for increased engagement with government from all LIFT donors, precipitated a third design mission in May, which led to additional cooperation with and support for government.

The final design document is explicit on the integrated community development approach that is one of the most important features of the programme. The programme also has a significant community infrastructure component, including restoration of embankments and sluice gates, renovation of village ponds and construction of alternative surface water catchment systems. The programme will work on improving productivity and resilience in the rice system while stimulating diversified crop production. There is a modest fisheries component with village-level fishery groups and a major emphasis on access to financial services through VSLAs (described above).

A request for proposals to implement Tat Lan was launched in August 2012 and a consortium led by the International Rescue Committee was selected. In June and in October 2012, Rakhine State was hit by a wave of communal violence that resulted in the loss of many lives and in the destruction of assets and livelihoods. As a consequence, thousands of internally displaced people are living in camps across Rakhine. The displacement and the potential for new rounds of violence has meant that LIFT increased funding within Tat Lan for conflict assessments, training for IP staff and government partners on humanitarian principles, including "do no harm" approaches, and enhanced safety and security systems for IPs. The programme, with a value of $22m, is expected to begin in early 2013.

75 The first VSLA model will provide individual stimulus grants to VSLA members, who will deposit grant funds into the VSLA for a period of not less than one year. These funds will be used by the VSLA for lending, and individuals will be able to borrow against their value. Upon leaving the group after one year, the member will be entitled to withdraw the full amount of the grant made to him or her as an individual. The second VSLA model will provide a grant to the VSLA as a group. This group grant will be used to bolster the shares and savings of the group and allow them to lend slightly higher amounts than if they were solely dependent on members' savings. These higher loans should stimulate productivity and hasten economic recovery for members in the target villages. When the VSLA disbands, the VSLA will decide if the funds are to be rolled over into the next cycle and/or to be distributed among those who may be leaving the group, proportional to their earnings. In both pilot models, except for the injection of external capital, the standard practices of a VSLA will be followed. During the pilot phases, the IP will monitor group progress and report on the lessons of both pilot models. The learning will be used to improve delivery in subsequent project years.

76 Reference here is to the work of Save the Children.

77 The widespread deterioration of embankments has direct negative impacts on the population's productive activities and food security.

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

4. Outputs with a National Scope

4.1 Civil society strengthening (Output 5)

LIFT allocates specific resources to the strengthening of civil society organisations (CSOs)[79]. While this is partly because many (47%) of LIFT-funded projects are implemented directly or indirectly by local CSOs[80], the focus on civil society strengthening is also because social actors and social action are important for improving the food and livelihoods security of poor and vulnerable people in Myanmar. The discussion below describes in more detail the work LIFT is doing to contribute to local civil society capacity and identifies some of the challenges in measuring progress.

In March 2012, the Fund Board: a) enhanced LIFT's statement of strategic intent relevant to civil society strengthening[81]; b) revised the description of Output 5 in the log frame to reflect the strategic intent; and c) asked the Fund Manager to move forward with three new initiatives to enhance LIFT's work on strengthening civil society: refine LIFT monitoring systems to fit the new strategic intent; conduct research into how LIFT partners support CSOs; and, establish community (and local organisation) feedback mechanisms.

Refining LIFT systems to measure civil society strengthening

The first challenge was to determine how much LIFT was spending on the strengthening of civil society, which was difficult because of differences in the way LIFT IPs categorise their budgets across LIFT's outputs. For example, one IP may consider training for a village rice bank committee as a civil society strengthening activity (Output 5) whereas another IP may consider the same expenditure as an agriculture-related livelihoods activity (Output 1) or as a social protection activity (Output 4). To overcome these methodological problems, in 2012 the Fund Manager worked with IPs to undertake an analysis of all IP budgets using new output definitions.

Expenditure is now deemed to be related to civil society strengthening if it meets the following criteria: a) it contributes to building the capacity of social groups, organisations and networks as opposed to individuals and households[82]; and, b) it builds capacity that is intended to also be used beyond the project as opposed to capacity inputs that are solely intended to achieve project results (belonging to Outputs 1, 2, 3 or 4)[83]. CSO "advocacy" support is allotted to output 5, including support for building relationships between community

79 *CSOs are defined here as NGOs, unions, faith-based organizations, indigenous peoples' movements, community-based organisations and many other non-government groupings of people usually with particular interests. It does not include companies whose primary aim is profit-making.*

80 *At the end of 2012, 23% of LIFT grants had been awarded to local NGOs and another 24% of all grants were being implemented primarily through local NGOs.*

81 *The previous statement focused on project and organizational capacity, but was silent on the role of civil society in broader societal change. The revised statement of strategic intent (from the LIFT Strategy reads): Strengthening civil society is an essential part of LIFT's strategy. Social actors and social action are key to improving the food and livelihoods security of poor and vulnerable people in Myanmar. LIFT works with different levels of local groups and organisations, and supports their technical, organisational and networking capacity, and its application. LIFT ensures the availability to project partners of technical expertise, organisational and network resource-people, and convening/ learning resources.*

82 *Expenditure on training or other capacity-building activities targeted at individuals or households are categorised in other outputs.*

83 *In theory, an identical activity could be under Output 5 for one IP and Output 1 for another. The key factor is intent, and this is evidenced in project documents and pre-project relationships. Capacity building for CSOs that existed prior to the LIFT-funded project is attributed to Output 5.*

groups and government officials, and research for audiences beyond the project. Using these definitions, the Fund Manager estimates that in aggregate 10% of LIFT-funded projects are allocated to civil society strengthening activities (Output 5).

Table 19: Number of LIFT-funded projects implemented by CSOs

	On-going projects	Already completed	Total	%
Projects awarded directly to local NGOs	10	5	15	23%
Projects awarded to international NGOs	23	14	37	56%
Implementation mainly through local NGOs	11	5	16	24%
Limited involvement of local NGOs	12	9	21	32%

Measuring capacity building outcomes for IP staff and local partners

Up to the end of 2012, LIFT partners had given training to over 113,000 participants from local NGOs and CBOs, of which 47% were female and 4% were people living with a disability. Three quarters of the participants were from CBOs; the remaining 25% of the participants were staff of IPs, sub-IPs and government staff. Training for CBOs included study and exchange visits as well as training sessions in: business development (bookkeeping, general business skills), management of CfW activities, M&E, leadership and accountability, advocacy, social mobilization and rice/seed bank management. The most common types of training for IP staff were: project planning and management, M&E, gender, developing collective action plans and leadership.

LIFT has been able to do limited analysis on the degree to which participants have applied vocational training and training related to farming practices (e.g., see section 2.4 for a discussion on the number of famers applying improved agricultural practices and the proportion of trainees that established enterprises), but measuring the degree to which capacity of groups and organisations has been built is proving more difficult[84].

84 As reported previously in section 2.4, the Fund Manager will pilot the "most significant change" story in 2013 in an attempt to measure change in capacity as perceived by local NGOs. The pilot should indicate how useful the tool is and what kind of changes it uncovers. Through the pilot, the Fund Manager should also learn whether this method itself has the potential to contribute to positive changes in the relationship between LIFT's IPs and their local partners.

Local partners recount how LIFT projects have helped strengthen their capacity

- "Because of the LIFT project, we could see that the villagers have become more confident and dare to speak in front of the public. However, they are not to the point of asking for their own rights yet"
- "The organisation has learned a lot in the financial management and project setting."
- "Because of LIFT, we have
    - A systematic organisational structure
    - Reformed our advisory committee
    - Have clear financial procedures
    - Completed an audit and received our first audit report
    - Registration status at the divisional level"
- "The project staff could build trust with the beneficiaries due to the backing of LIFT donors and their policies."
- "Some important research projects have been completed because of LIFT's financial support."
- "We could do OCI (Organization Capacity Index) exercises with the capacity-building budget from LIFT and we could improve the following manuals:
    - Human resources
    - Financial manual
    - Five-year strategic plan of the organization
    - Management records"
- "Our organisation has become bigger and institutionalized, and established with some standards, policies and procedures, especially financial policies (adopted and reset based on the organisation's capable context)."

(These quotes come from interviews with 16 CSOs conducted in late 2012 by the Fund Manager)

While it is not possible at this point to quantify the degree to which CBOs have applied their learning or to what extent the capacity of CBOs has been strengthened, some indications of impact were collected as part of a consultation with LIFT's local CSO partners conducted in 2012. Some of the suggestions and comments from local partners on LIFT's policies and procedures can be found in the highlighted box above.

A number of important issues are also emerging from partner reports and feedback to the Fund Manager during monitoring visits. First, in some organisations only staff members working on LIFT-funded activities were trained (using LIFT resources). The Fund Manager believes that it is unlikely that these investments in the capacity of only some staff members will promote organisational capacity within 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. Lastly, many organisations report that skilled trainers are hard to find, and that some of their training was poorly delivered. LIFT will conduct a study on the effectiveness of capacity building by LIFT's partners in 2013.

Supporting community-based organisations (CBOs)

The formation of CBOs is a common activity not only among LIFT partners but among UN organisations, international NGOs, and local development organizations in Myanmar. LIFT's Qualitative Social and Economic Monitoring project found that within all of the 40 villages included in its research, aid projects (including LIFT-funded projects) delivered assistance primarily through local village development committees set up as part of the project. Village Development Committees (VDCs) were the primary mechanisms for the delivery of assistance to beneficiaries within the village. Of 247 different schemes reported, 70% used VDCs, 40% used local Village Administrators and 4% used informal village leaders to deliver aid. Only 9% of projects routed aid directly to beneficiaries without a village-level intermediary.

The following table from LIFT's QSEM project lists the different types of village-level institutions in the villages studied.

Table 20: Village-level institutions reported by QSEM

Formal	Informal
Village administration Aid provider groups (*usually only one or two in each village*), such as: • Village development committees • Livelihoods development committees • Self-reliance groups Single-purpose groups, (*usually only about three in each village, with a high degree of member crossover*), such as: • PTAs • School committees • Water committees • Electricity committees • Road maintenance committees • Market committees • Pond maintenance committees • Medical facility committees • Funeral services groups • Library committees • Hillside cultivation committees • Health committees Government NGOs (GONGOs), such as the fire brigade, paramilitary groups Political parties (some villages)	Traditional groups, such as: • Village elders & respected persons • Youth groups Religious groups, such as: • *'Gaw pa ka'* – board of trustees of village monastery, usually including village elders • Buddhist chanting groups • Church groups

The extent to which IPs feel the need to establish new organisations at village level is interesting given that collective action at that level is so common and CBOs already exist[85]. However, examination of the types of established collective action at village level reveals that the vast majority of activities are focused on religious and social activities, as well as the management of social infrastructure, not livelihood activities for individual households. In fact, the QSEM researchers did not find any livelihoods groups that had arisen organically or that had pre-existed aid programmes. This possibly explains the felt need for agencies to organize new committees/ structures to focus on livelihoods activities. However, it is still unclear the degree to which existing structures could play a meaningful role in these types of activities.

Paung Ku's approach to strengthening existing CBO capacity to advocate with authorities demonstrates what is possible. Paung Ku-supported CBOs near the special economic zones of Dawei and Kyauk Phyu have led successful advocacy campaigns highlighting the potentially detrimental impacts on the poor of the SEZs. For example, a group of CBOs in Dawei helped convince local authorities to oppose a local dam and a coal-fired power plant. Another group of CBOs in Kyauk Phyu were able to get a Chinese company that damaged a road to their school to repair the damage. Paung Ku identifies the strength of prominent leaders (often monks and priests) as being key to the success of these activities.

85 *QSEM reports, "In all villages, community members acted collectively to achieve shared ends. They worked together on a wide range of community activities."*

LIFT field visit monitoring has found that some IPs establish new CBOs with insufficient consideration for the existing institutional arrangements, and in some cases, existing CBOs in the village initiated previously by other NGOs. In some villages this has resulted in up to three or more CBOs each working with a different NGO organization. Villagers are involved in one or more of these CBOs at the same time. Building the capacity of existing community groups should be the priority wherever this is possible.

The QSEM project also found that multiple (VDCs) promoted by different aid projects were sometimes found within the same villages. In Chin State, there were three to five VDCs in each village, although villagers did not report that as being a problem. In Shan and Mandalay, one to two VDCs were found in each village. In Ayeyarwady Region, each village had approximately three to five VDCs and villagers did report the presence of multiple VDCs as a problem, leading to tensions within the village.

Support for an enabling environment

The Gender Equity Network (GEN), which LIFT supports, contributes to developing enabling systems, structures and practices that improve women's livelihoods and reduce poverty. A number of other LIFT-funded partners are active members of GEN (e.g., ActionAid, Oxfam, Care). GEN has been influential in supporting the Ministry of Social Welfare, Relief and Resettlement to adopt the "National Strategic Plan for the Advancement of Women 2012-2021", which now looks like it will be endorsed by the Myanmar National Committee for Women's Affairs in January 2013.

Community (and local organisation) feedback mechanisms

The Fund Manager developed a draft beneficiary accountability framework in 2012. In developing the framework global standards were reviewed, existing mechanisms used in Myanmar were surveyed, Fund Manager was consulted, and 50% of LIFT's local partners were interviewed. Community consultations on the draft mechanism will take place in early 2013.

The primary purpose of the framework is to assure LIFT's accountability to local stakeholders. The secondary purpose is to strengthen the "claim-making capacity" of local partners and communities. The framework is a LIFT civil society strengthening initiative in its own right.

The framework gives space for beneficiaries and local partners to voice their complaints, concerns, and suggestions on LIFT's policies and procedures, including the manner in which the Fund Manager performs its duties. The proposed framework includes the following: a) a channel where diverse opinions/ suggestions are welcomed; b) visits of an assigned focal person from the Fund Manager to gather feedback of local partners in person; c) local-level informal meetings organised by Fund Manager; and, d) a formal complaint mechanism.

4.2. M&E for programme and policy development (Output 6)

Table 21: Results to end 2012 for Output 6 (programme and policy development)

Indicator	LIFT log frame target at 2016	Milestone 1 2012	Achieved to Dec 2012	% achieved against milestone 1
O6.1: No. and % of studies that are discussed by Fund Board and lead to change of strategic direction	16 (80%)	3 (50%)	4	100%
O6.2: No. of strategic issues identified through IP activities, discussed by Fund Board and lead to change of strategic direction	14	3	5	167%
O6.3: Number events (forum, workshop, thematic discussion group) that promote communication and good practices	50	15	36	240%

LIFT-funded projects with a national scope

There are ten LIFT-funded projects that have a national scope (i.e., they are not specific to any of the agro-ecological zones covered in Chapter 3). All of these projects have strong programme and policy development components.

Table 22: LIFT-funded projects with a national scope

Agency	Main focus	LIFT funding mechanism used
WFP	National-level food security analysis	Learning and Innovation Window
Gender Equality Network	Capacity development (gender)	Learning and Innovation Window
FSWG	Capacity development and policy work	Learning and Innovation Window
UN-Habitat	Policy-level research and capacity building (land)	Learning and Innovation Window
Social Policy & Poverty Research Group	Policy research	Learning and Innovation Window
Save the Children	Capacity building (focused on nutrition)	Learning and Innovation Window
Pact (MARC)	Building up new MFIs	Financial Inclusion Window
UNCDF (MAP)	Supporting national strategy development	Financial Inclusion Window
UNCDF (MicroLead)	Enabling new “greenfield” MFIs	Financial Inclusion Window
World Bank (FIND)	Capacity building of MF regulator	Financial Inclusion Window

The selection and funding of the above projects was done through two new funding windows within LIFT: the Learning and Innovation Window, and the Financial Inclusion Window. The rationale for these mechanisms, and the progress made by the projects funded, are provided below. At the end of this section is a description of the studies and evaluations conducted by LIFT in 2012.

Learning and Innovation Window

In November 2011, LIFT set up a new funding mechanism to support innovative initiatives likely to increase the collective knowledge of food security and livelihoods in Myanmar. The Window, which accepts proposals continuously, funds projects that:

1. Demonstrate innovation in the Myanmar context;
2. Have a high potential for learning and will increase the body of knowledge in Myanmar on food security

and livelihoods;
3. Are likely to contribute significantly to policy dialogue;
4. Will increase the impact or quality of existing LIFT programmes; and
5. Demonstrate an ability to capture useful lessons for wider application.

Up to the end of 2012, 83 concept notes had been submitted for consideration and 17 (20% of the total) had been approved. As of December 2012, 13 grants had been signed worth a total of $12.5 million.[86] Seven of the projects, which are all implemented in specific agro-ecological zones, have already been discussed in Chapter 3. Progress for the six projects with a national scope is as follows:

- **World Food Programme: Improved FoodSecurity and Market Price Information System in Myanmar**

Through the project WFP has developed the Food Security Information Network (FSIN), which grew in 2012 from 7 to 15 active partners, including local and international NGOs, CBOs, and UN agencies. Linkages with the government have been established. The project has developed standardised indicators for market analysis, as well as for qualitative and quantitative food security analysis. The project works closely with LIFT's IPs, as well as other NGOs and the government. WFP has begun disseminating their data and findings in regular bulletins.

- **Gender Equality Network (GEN[87]): Mobilising Action for the Advancement of Women in Myanmar**

GEN is an inter-agency network comprising 86 national and international NGOs, UN agencies, civil society networks and technical resource persons. The project is supporting the development of an enabling environment in which progressive policies related to food security and livelihoods can emerge. GEN works in close cooperation with government ministries and civil society organisations to help realise women's rights in Myanmar. The project is building the capacity of civil society and government in order to promote equitable development and has been influential in supporting the Ministry of Social Welfare to adopt the "National Strategic Plan for the Advancement of Women 2012-2021".

- **UN-Habitat: Land Administration and Management Programme (LAMP)**

This two-year project started officially in October 2012, but due to delays in getting approval to start by the MoAI, the project is not yet operational. The project will enhance the capacity of the Settlement and Land Records Department (SLRD) to operationalise the Farmland Law (2012) by improving methods to update the existing public land records and improve training facilities within the SLRD. The process is accompanied by pilot surveys and research studies.

- **Social Policy and Poverty Research Group: Inclusive Livelihoods and Social Protection Research**

The SPPRG, which is made up of ActionAid, the Leprosy Mission International (TLMI), HelpAge International and the Department of Social Welfare (DSW), is building the skills of Myanmar researchers and policy makers. The project is conducting research related to: debt, social protection, microfinance, and patterns of migration. It also offers monthly tutorials aimed at building research capacity within government, NGOs, and CSOs. The project's first study was a vulnerability analysis in the Dry Zone, which was used to construct a modelling tool that can project budget requirements for potential social protection programmes. The model has been presented to senior officials in key ministries. SPPRG has also supported DSW to draft a disability policy for Myanmar. DSW has expressed interest in using SPPRG's "umbrella" vulnerability assessment tool to collect baseline data.

- **Save the Children, Action Contre La Faim (AFC), and Helen Keller International: Leveraging Essential Nutrition Actions to Reduce Malnutrition (LEARN)**

The overall aim of the LEARN project is to increase the capacity of LIFT (the Fund Board, the Fund Manager and IPs) to deliver a more comprehensive approach to food security that includes all three food secu-

86 *See the section on allocation of funds (section 4.3) for a list of the 13 grants signed.*
87 *GEN was formerly called the Women's Protection Thematic Working Group.*

rity pillars: availability, access, and utilisation. This three-year project includes the following interventions: increasing the capacity of LIFT IPs to deliver nutrition-related activities in their target communities; integrating nutrition into current and forthcoming funded LIFT IPs food security and livelihood programmes; and, identifying core nutrition indicators that can be integrated into existing food security and livelihoods information systems with appropriate processes for analysis and action.

- **Food Security Working Group (FSWG): Harnessing Resources and Partnerships to Achieve Food Security in Myanmar**

The three-year project is encouraging the development of innovative approaches to conducting advocacy, capacity building, and evidence-based research on livelihoods and food security in Myanmar. FSWG will build knowledge and develop tools for organisations in the areas of agriculture, fishery, animal husbandry, community forestry, and land tenure security. The national land symposium organised by the FSWG provides the base for continued engagement with the government and civil society groups working on awareness-building and advocacy concerning the new land laws and implementation regulations. The focus of the group will be on customary upland tenure systems, and supporting the government in developing laws that recognize these tenure systems.

Financial Inclusion Window

The institutional framework for microfinance was completely reformed with the passing of the Microfinance Law in November 2011. The new law and accompanying regulations allow local and foreign investors to establish privately-owned MFIs, effectively legalizing the widespread provision of micro-finance activities for the first time, and making it possible for LIFT to scale up its assistance for financial services as part of a broader strategy of financial inclusion.

In March 2012, the LIFT Fund Board resolved opened a microfinance window (now renamed "Financial Inclusion"). The Donor Consortium agreed in to allocate US$30 million for the Window. This was in addition to prior funding to Pact through the Delta 2 programme ($6m) and the Countrywide programme to Pact, Save the Children, and GRET (another $6m), and to Pact/Pyapon ($300,000)[88].

By the end of December 2012, the following projects had been funded, all of which have a national scope:

- *Pact: Myanmar Access to Rural Credit (MARC).* Collaborating with Pact, LIFT will address the issue of capacity building among the local microfinance institutions (MFIs) by working with up to nine local MFIs over the next two years. During the reporting period, work began on the first four MFIs. MARC's approach of pairing grants with tailored, results-oriented organisations and technical capacity building for each local MFI is proving to be a positive initiative. Out of four local MFIs selected, Pact has contracted three MFIs including Ar Yone Oo in Kalay Myo Township (Sagaing Region), Ratana Metta in Shwe Khin Township (Bago Region), and Border Development Association in Monywa Township (Sagaing Region). These MFIs aim to provide loans to more than 5,000 households.

- *UNCDF: Making Financial Access Possible in Myanmar (MAP).* The MAP project, implemented by the United Nations Capital Development Fund (UNCDF) in partnership with Finmark Trust and the Centre for Financial Regulation and Inclusion (Cenfri), will develop a comprehensive study on the financial sector, focusing on the supply and demand sides of financial access. The intended outcome of the programme is to determine the financial inclusion agenda for all relevant stakeholders in the country, such as MFIs, clients, donors, and the government, and to align resources with key priorities, based on an evidence-based diagnostic exercise. The MAP project began in Oct 2012 and by Dec 2012 several meetings have been held with several stakeholders to promote national ownership.

88 During 2012, LIFT partners in aggregate (UNDP, Pact, Save the Children, and GRET), disbursed a total loan amount of $7.2 million to 50,056 households from 2,491 villages (compared to US$454,216 to 3,640 households in 2011). Eighty six per cent (86%) of the total loan amount was for agricultural loans and the rest was invested in income-generating activities such as small grocery shops, small-scale fishing equipment, services and small scale-trading.

- *UNCDF: The Fund to Develop Savings-led Market Leaders (MicroLead).* The UNCDF's MicroLead Expansion programme aims to contribute towards the development of a strong inclusive financial sector and supports the expansion of microfinance market leaders into underserved areas. In Myanmar, MicroLead will facilitate the entry of two or three leading MFIs as 'greenfield' operations who will bring in their own capital. By Dec 2012, the MicroLead project invited microfinance market leaders to submit expressions of interest to begin 'greenfield' operations in Myanmar.

- *The World Bank: Financial Inclusion for National Development in Myanmar (FIND).* FIND provides advice and training to the Myanmar Microfinance Supervision Enterprise (MMSE) in order to enhance MMSE's framework and institutional capacity to better deliver microfinance loans. By Dec 2012, FIND has begun reviewing MMSE's institutional framework and its training needs.

The national strategy for financial inclusion being developed by the MAP project and will identify additional areas for LIFT to support. Additionally, LIFT will support an analytical study on the role of cooperatives and revolving funds and assess the impact of providing financial services in Myanmar. LIFT will also investigate opportunities to support the Myanmar Agricultural Development Bank (MADB).

Studies and evaluations

Table 23: Summary of LIFT M&E activities & tools

M&E activity/tool	Summary description	Lead agency
Progress tracking databases: • IP project key inputs and activities by township • Achievement of LIFT log frame indicators, milestones and targets	IPs provide data aggregated at a township level on a 6 monthly basis based on their own records of activities in each village. IPs also report against relevant LIFT purpose and output indicators and associated annual milestones and targets. These reflect progress towards the higher order outputs and outcomes of the LIFT logframe.	Database maintained by Fund Manager based on standardized data provided by IPs. Standardized information is collated to assess overall LIFT progress and performance.
Financial audits (for IPs and LIFT)	Using internationally accredited auditors and standard audit practices	Fund Manager to organize for IPs, UNOPS to organize for LIFT
Field monitoring visits	IP projects to be visited at least 3 times in a 12 month period and more frequently in the case of high risk projects or where progress or performance face problems	Debriefings with IPs precede draft reports to them. Reports are revised following IP feedback.
Visits to review IP M&E and data collection/collation systems	IP's data collection, data management, monitoring & reporting systems are reviewed at the field and township levels every six months.	Recommendations are made and followed up.
IP project evaluations	IPs are responsible for baseline surveys, mid-term reviews, and final evaluations of their projects.	Final evaluations must be independent and external.
Village profiles	Basic village statistics covering population, land areas, agriculture, livelihoods, village infrastructure, social capital etc.	Included in baseline survey and repeated for mid and final evaluations.
LIFT Baseline Study	Household survey of 4000 households (including 800 household control group) and 12 villages for focus group discussions.	Fund Manager conducted in 2011

M&E activity/tool	Summary description	Lead agency
LIFT Mid-term Review	A qualitative study involving focus group discussions, key informant interviews, case studies and reviews of secondary information to assess progress and performance of the Delta II and Countrywide sub-programmes.	Fund Manager conducted in 2013
LIFT 2013 household survey	A quantitative study to compare performance against 2011 Baseline Study results for the key LIFT program indicators covered.	Fund Manager
LIFT final household survey	Final household survey (with some FGDs) to assess performance against baseline for Delta II and Countrywide subprogrammes.	Fund Manager conducts in 2015
Tat Lan mid-term and final surveys	Coordinated with LIFT larger household surveys for consistency of approach and comparable data. Nutrition surveys incorporated.	Care and Fund Manager to ensure quality
Financial Inclusion Window - baseline and endline surveys	LIFT to commission independent impact assessments of sample households periodically.	Fund Manager to commission two (in 2013 and 2014) independent impact assessments
QSEM	Qualitative information collected regularly (6 monthly) from a sample of villages using participative methods including focus group discussions. Rounds 1 and 2 completed and documented.	The World Bank and MRI
Thematic studies	Studies specifically designed to investigate important and emerging issues arising during LIFT implementation.	Fund Manager, IPs
Farm production and economics survey (one of the thematic studies)	National survey to collect key household data related to agricultural production and income for monsoon and summer crops to be conducted in late 2013 and mid-2014. Information to form basis of models to assess household level responses to changing economic conditions and policy etc	Oversight by the World Bank and FAO
Interim review of the LIFT Fund	The Interim Review, commissioned by the Fund Board, examined i) governance and management arrangements, ii) fund allocation, disbursement and monitoring mechanisms, iii) stated aims and strategies for achievement, and iv) existing portfolio of partners and projects.	Fund Manager completed in 2012
Value for Money (VfM) assessment	Study to assess VfM of LIFT's projects.	Fund Manager

Baseline study

In 2011, LIFT commissioned a baseline study. The objective of the study was to gather quantitative and qualitative information on livelihoods and food security in the different areas of the country where LIFT is active or would become active in the near future (e.g., the coastal region of Rakhine State). Baseline survey results are a fundamental part of LIFT's evaluation strategy that includes a before and after assessment of interventions as well as with and without analysis using results from control villages[89]. The analysis of the information gathered in the baseline survey was done in the first half of 2012 and the Baseline Survey Report was published in June 2012. Follow-up household studies are planned for 2013 and 2015.

The study highlighted the difficult situation faced by the poorest households and households without land. The focus group discussions seemed to imply that their situation was getting worse due to climatic changes, currency fluctuations, and other trends. The study showed that the landless make up a huge part of the rural population (50%), though with clear differences between the zones. Thirty-five per cent of the households own up to five acres of land. Access to land was found to closely correlate with household income. Landless households and those with little land had the least amount of disposable income of all the households.

Rural households often rely on different sources of income at the same time. Agriculture, fisheries, and casual labour (outside agriculture) are the most important sources of income. How important each one is depends on the agro-ecological region: in the Hilly Region, agriculture is the most important source of income for 61% of households; in the Delta/Coastal Region it is most important for just 27%; and in the Dry Zone agriculture is a priority for 50% of the households. Non-agricultural casual labour is the most important income source for 44% of households in the Delta/Coastal Zone and 40% in Rakhine State. In the Hilly Region just 19% depend primarily on non-agricultural casual labour.

The *Baseline Survey Report* also reveals high household indebtedness: 83% of households accessed credit in the 12 months prior to the survey, and in one-third of the cases that credit was granted by a formal provider (a bank or microfinance institution). The rest used the services of a moneylender. Rich and poor alike access credit, but they use the money for different purposes. Of the landowners with more than 20 acres, 48% used credit to buy agricultural inputs, and 41% invested in business activities. For the landless these numbers are completely different. Only 3% take out a loan for agricultural inputs and 13% to invest in a business. Fifty-eight per cent of households primarily use credit for consumption. This is revealing information for microfinance providers in the project areas as most providers prefer to offer credit for productive use rather than consumption.

LIFT has disseminated the findings of the baseline study to its partners, civil society organisations, government, and the international community in Myanmar. The most relevant baseline findings were presented at the high level LIFT Forum co-hosted with the Ministry of Agriculture and Irrigation in Dec 2012. LIFT has also made the study and raw data available on its website. Several partners have used the data in their own analytical studies, including Myanmar Development Resources Institute (MDRI), Michigan State University, New York University, Harvard University, The Organisation for Economic Co-operation and Development (OECD) Investment Policy Review of Myanmar, and Oxfam Novib (Netherlands).

Qualitative Social and Economic Monitoring (QSEM)

After completing a pilot on qualitative monitoring in 2011, LIFT commissioned a three-year programme of qualitative social and economic monitoring (QSEM) in 2012. QSEM exams how people in rural Myanmar

89 *The baseline study was based mainly on a survey of 4000 households, divided over the three agri-ecological zones: Dry Zone, Delta/Coastal Region, and Hilly Region. In each zone, 50 villages were randomly selected from the list of villages where LIFT-funded projects are on-going or would start up by the beginning of 2012. Fifty villages from the cyclone Giri-affected areas in Rakhine were also added given the new programme proposed there. In each of the villages, 16 households were interviewed. Finally, 800 control households were selected in the three zones in villages where LIFT is not (and does not intend to be) active. The household interviews were complimented by a village profile and by 12 focus group discussions.*

make a living, what wider factors shape their ability to do so, and how the broader social and institutional features of community life affect people's livelihoods choices and outcomes. The field work[90] is carried out by Myanmar Development Research with support and technical assistance from the World Bank.

The study aims to develop a better understanding of the local context and the differences between regions; help understand the enabling and constraining factors that affect the effectiveness of various interventions supported by LIFT; and assist LIFT in responding to new challenges that emerge over time. It also aims to provide a means to develop local capacity for undertaking social and economic research and analysis. QSEM provides a "narrative" on the changing livelihood situation and will complement information collected from LIFT's household study in 2013.

The first QSEM report found that casual labour was the most common form of primary livelihoods in all areas apart from Chin State, where most households had small landholdings. Small-scale farming was the second-most common form of primary livelihood. The research also found that there was an endemic lack of affordable credit, particularly for the poor, who paid higher interest rates. Although credit had increased in some areas in the two years prior to the fieldwork, mainly due to external assistance, affordable credit was still insufficient, and people relied on informal moneylenders who charged high interest rates. Most households faced a high debt burden, which varied by region and occupation. Struggles with debt constrained people's ability to invest in their livelihoods and caused some people to lose land or have to change jobs. People's ability to save was constrained by debt, crop losses, and a decline in fish yields.

The study revealed that there are underlying links between poverty and people's livelihood choices. These factors affect poor households in different ways: they constrained the employment choices of poorer households and made them more vulnerable to risk, more dependent on seasons, and made it more challenging to cope with hardship. The lack of credit and limited market access affected both poor and rich households, but with some regional variations. Climatic variation, falling crop prices, pests, water scarcity, and natural disasters affected everyone's livelihoods outcomes, though with regional variations. Households employed a variety of mechanisms to help cope with such problems. Migration of individuals and families to neighbouring (or farther) townships and regions for work was shown to be an important coping strategy. Households relied on migration for remittances, mostly to meet emergency or "big-ticket" needs.

QSEM reports are available, in English and in Myanmar, on the LIFT website. The QSEM report has been used by the World Bank in designing their Community-driven development (CDD) programme, the Michigan State University, Human Rights Watch, and by the President of Myanmar's Economic Adviser.

LIFT's Interim Review

LIFT underwent its first interim review in 2012. The review was intended to provide an understanding of whether the structure, management systems and procedures, and strategies of LIFT were fit for purpose. This was done by critically examining LIFT's: governance and management arrangements; fund allocation, disbursement, and monitoring mechanisms; stated aims and strategies for achievement; and, existing portfolio of partners and projects.

The review was conducted by a team of national and international consultants. The team had interviews with LIFT staff, management, board members and stakeholders in Yangon. They visited project sites in the

90 Every six months, a team of social researchers visits 36 of the 54 selected villages for several days. They conduct interviews, have group discussions, observe the community, and learn about the changes that have taken place in the villages. In 2012, QSEM collected information from 36 villages across four regions/states in three agro-ecological zones: Chin State (Hilly); Magway and Mandalay regions (Dry Zone); and Rakhine State (Coastal). LIFT IPs are active in all of the selected villages. Within each state/region, three townships that had the highest poverty levels were selected. Within each township, three villages (each from a different village tract) were selected. The report of the first round of research was published (QSEM 1) in October 2012. The fieldwork for the second round of research started in November 2012.

Delta and in the Dry Zone. The draft report of the review was presented to the LIFT Fund Board in December 2012 and stated that, "LIFT as a whole has been successful in developing, funding, and supporting a large number of projects working in a complex and difficult field, across a large and often poorly accessible area, and in an initially difficult situation (poor implementing capacity and government support). In addition, LIFT has built a very useful mechanism for donor coordination and pooled funding, which has added value.". The final report, incorporating comments of LIFT's Fund Board and Fund Manager will be ready by March 2013. The final conclusions of the interim review will help the LIFT Fund Board develop the strategy for the coming years.

LIFT's Mid-Term Review of Delta 2 and the Countrywide Programme

The interim review did not consider the performance of the different LIFT-funded projects or review the results; this was to be done by a programmatic *Mid-Term Review*. In the second half of 2012, most of the projects that make up the two largest components of LIFT, Delta 2 and the Countrywide programme (CWP), were halfway or nearly halfway through their life cycle of three years. The objectives were to assess the progress made and analyse the approaches used by IPs in each of the two sub-programmes, and determine whether the IPs are on track to achieve the expected results.

The review will consider the evaluation criteria of relevance, effectiveness, and efficiency (and sustainability and impact when applicable). It will also raise questions on the performance of the IPs, the integration of their approaches, and the coordination and role of the Fund Manager in programme support and monitoring and evaluation. The review will start in January 2013 and its final report is due May 2013.

Value-for-money analysis

In the last months of 2012, LIFT started to develop a framework for value-for-money (VfM) reporting. Value-for-money assessments bring together the criteria of economy, efficiency, and effectiveness, while also considering issues of equity. Economy refers to acquiring inputs of the appropriate quality at the right price. Efficiency covers the conversion of these inputs into outputs, aiming for maximum quality and quantity. Effectiveness is a measure of the extent to which the outputs lead to results, which in LIFT's case means increased food security and incomes of poor rural people.

While LIFT has analysed aspects of each of the VfM criteria (e.g., through procurement and proposal selection), it has not yet developed an integrated approach that combines them. LIFT is in the process of developing a VfM framework, which will allow the Fund Manager to bring together its two core functions of financial management (using the criteria of economy and efficiency) and M&E (effectiveness and efficiency). This will enable LIFT to make considered judgements about which interventions offer value for money and which interventions do not. VfM will feature prominently on the LIFT agenda in 2013. LIFT intends to work closely with DFID and the 3MDG Fund to roll out its own VfM strategy in 2013.

M&E challenges and lessons

- *Quality of data and the importance of quality control*: The quality of the data that LIFT is gathering from the IPs every six months is still not where it could be. Incomplete submissions and a different interpretation of the indicators make it difficult to compare and aggregate the data. The turnover of IP staff (and at the Fund Manager) complicates capacity building, as new people take up the responsibility for gathering information. To ease the burden on the IPs and produce higher quality information, LIFT's M&E team should focus on improving quality control and limiting the monitoring data it collects. Steps have already been taken to improve quality control. In 2013, the IPs will be provided with shorter monitoring sheets with a more user-friendly interface.

- *Moving from reporting on outputs to results reporting*: In the start-up phase of the projects and the first year(s) of implementation, LIFT required mainly activity and output information from IPs, and in any case, results and outcomes were not available yet. LIFT is now increasingly focused on the results and the outcomes of its projects, but the M&E systems of many IPs are not set up to track outcomes. They are limited to output monitoring, exceptions aside. Therefore, the LIFT M&E system relies on household surveys to measure progress on most of its log frame indicators. The baseline was the first household study that covered all of LIFT's programme areas. Once the follow-up household study is completed in 2013 it will be possible to measure progress against the LIFT log frame indicators and assess what results and impacts have been achieved. This assessment will be further strengthened by the growing body of qualitative information that will have been generated by QSEM 1, 2, and 3; the Mid-Term Review of Delta 2 and the Countrywide programme; and the information provided by the IPs.

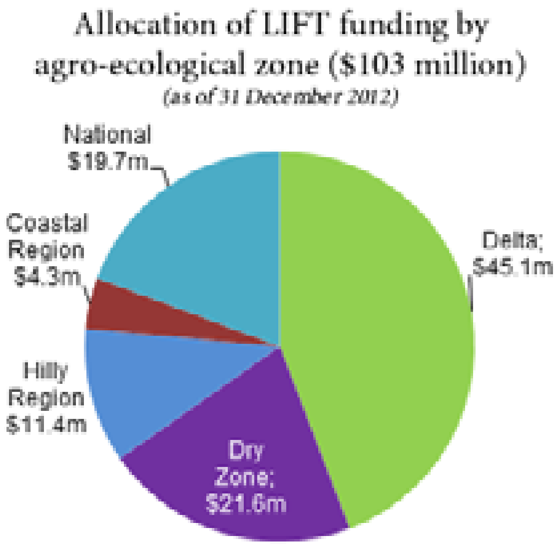
- *Standardised methods for measuring progress against LIFT's log frame indicators are needed*: In 2010, IPs reporting on their achievements emphasised activity and output information, as no data on results was available at that time. The methods used for capturing IP monitoring data further developed in 2011 and 2012, but remained predominantly focused on capturing activity and output information. As projects progress, the activity and output monitoring data is no longer as relevant as it was. This results information provides an opportunity to consider the impact of LIFT and its IP projects as reflected in IP and LIFT log frame indicators for the first time. The first IP data received against these indicators appears in section 2.3 of this report. The data is incomplete and variable in quality. Not all IPs share the same methods for measuring progress against the LIFT indicators and there are various understandings of what the indicators mean. LIFT needs to upgrade its support to IPs to introduce standardised data gathering methods that measure the indicators more consistently.

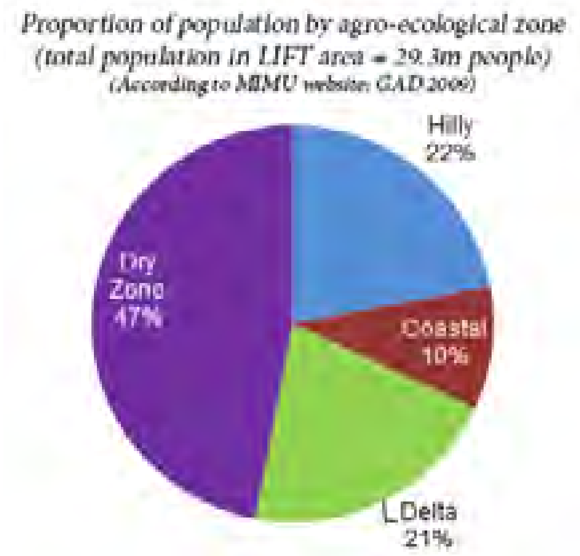
4.3 Allocation of LIFT funds (Output 7)

Table 24: Results to end 2012 for Output 7 (funds allocation)

Indicator	LIFT log frame target at 2016	Milestone 1 2012	Achieved to Dec 2012	% achieved against milestone 1
O7.1: FB policy and strategy is clearly articulated and followed by the Fund Manager	100%	90%	90%	100%
O7.2: % of clear FB recommendations implemented by the Fund Manager within given deadlines	100%	90%	90%*	100%
O7.3: % and number of audit areas (both FM and IPs) rate as 'high priority' by auditors	0 for all parties	0 for all parties	9 and 5%**	95%

The largest share of LIFT's funding has gone to the Delta and the second largest share to the Dry Zone. The smallest proportion of the funding goes to the Coastal Region with just 4% of spending. This will change in 2013 with LIFT's commitment to the Tat Lan programme in Rakhine State.[91]





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

1. *Delta 1*: Through a call for proposals launched on 11 November 2009, and limited to proposals focused in the Ayeyarwady Delta, 22 one-year projects were selected for funding. All of these projects have now been completed. The total expenditure was US$19.6 million.

2. *Countrywide*: Also launched on 11 November 2009, this call for proposals was open to applications for

* *Based on an analysis of the actions from the Dec 2012 meeting (19/20 done) and Sept 2012 (9/11 done). Total = 28/31 = 90%.*

** *The audit of the FM conducted in 2012 contained 0 "high priority" observations (of 26 total). The audits of IPs contained 9 "high priority" observations (of 161 total).*

91 *LIFT uses the following criteria to make decisions on how to focus activities geographically:*
- *Where food insecurity, total poverty, and vulnerability are greatest;*
- *Where there are international and local partners with the experience and capacity to implement programmes;*
- *Where there is potential to link two or more partners to achieve programme coherence, scale, and impact;*
- *Where there is opportunity to monitor and evaluate project activities and capture lessons; and*
- *Where there is a potential for pro-poor rural economic growth.*

the Dry Zone and Chin, Kachin, Shan, and Rakhine States. Sixteen projects have been funded for a total of US$36.5 million.

3. *Delta 2*: A call for concept notes was launched on 5 October 2010, requesting new submissions focused in the Delta. Nine projects were funded for a total of US$18.2 million.

4. *Learning and Innovation Window*: In November 2011, LIFT announced the establishment of a new LIFT funding envelope called the Learning and Innovation Window. Applications are received continuously and are assessed every three months. As of the end of December 2012, 13 projects had been funded for a total of US$12.5 million. Two of the projects were completed in 2012.

Table 25: Learning and Innovation grants signed (as at end 2012)

Agency	Amount	Geographic focus
IRRI (#1)	$2,100,000	Delta
WFP	$1,067,449	National scope
Gender Equality Network	$391,426	Capacity development (gender)
Care International	$508,455	Hilly Region (Shan)
IRRI (#2)	$2,013,942	Delta and Dry Zone
Oxfam	$100,000	Coastal Region
FSWG	$1,398,055	National scope
Giri Consortium	$355,142	Coastal Region
Radanar Ayar	$864,110	Delta
Paung Ku	$160,000	Coastal Region
UN-Habitat	$1,963,332	National scope
SPPRG	$307,163	National scope
Save the Children	$1,267,242	National scope
Total	**$12,496,316**	

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

6. *Financial Inclusion Window*: On 22 March 2012, LIFT opened a new funding window in order to scale up its support to microfinance services for poor rural households. As of the end of December 2012, four project agreements had been signed to the value of a total US$13.3 million.

Table 26: Financial Inclusion grants signed (as at end 2012)

Agency	Amount	Thematic focus
PACT MARC	$ 5,500,000	Capacity building for small MFIs
UNCDF MAP	$ 396,000	Supply and demand for financial services and road map for sector
UNCDF Microlead	$ 7,006,000	Greenfields MFIs with rural focus
World Bank FIND	$ 430,000	Capacity building for Microfinance regulator
Total	$ 13,332,000	

4.4 Fund flow and partner performance (Output 8)

Table 27: Results to end 2012 for Output 8 (fund flow and IP performance)

Indicator	LIFT log frame target at 2016	Milestone 1 2012	Achieved to Dec 2012	% achieved against milestone 1
O8.1: % of funds released by FB is in line with the IP MoAs	87%	85%	99.6%*	100%
O8.2: % of IPs for whom the Fund Manager completes an M&E system review	100%	50%	48%	96%
O8.3: % of IPs for whom the Fund Manager completes a financial system review	100%	100%	100%	100%

As of the end of December 2012, the total LIFT fund flow to IPs in 2012 was US$26.6 million. A summary of the 2012 Fund Flow is shown in the table below.

Table 28: LIFT payments to IPs and reported expenditure in 2012 by funding mechanism

IP Grants	Payments to partners in 2012 (US$)
Delta I	34,047
Delta II	7,663,578
Countrywide	10,688,604
Direct Grants	339,142
Learning and Innovation	3,983,665
Financial Inclusion	3,938,524
Total payments	$26,647,560

Table 29: Overview of total funding (US$) to end 2012 by type of recipient agency[92]

	Delta 1	Country-wide	Delta 2	Learning & Innovation	Financial Inclusion	Direct grants
INGOs	14,825,925	25,109,320	11,644,513	2,929,428	5,499,134	2,292,744
Local NGOs	837,470	5,437,717	607,929	2,422,165		
UN and international organisations	4,133,201	5,992,099	6,000,000	7,144,723	7,832,734	
Total	$19,796,596	$36,539,135	$18,252,442	$12,496,316	$13,331,868	$2,292,744

Monitoring partner performance

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

1. Regular field trips by the Fund Manager and the Fund Board;
2. Reports submitted to the Fund Manager twice a year;
3. Periodic external reviews of projects (e.g., the Mid-term Review of the Country-wide and Delta 2 programmes); and
4. Audits carried out by an external audit firm.

The Fund Manager visits each LIFT-funded project at least three times a year. Projects are visited four or more times per year if the Fund Manager has noted serious issues that need to be addressed. During these

* *From the audit of all IPs, a total of US$42,980 was identified as ineligible, which represents 0.39% of total expenditures incurred by 28 IPs (on 42 projects).*

92 *This refers only to IPs signing agreements with the Fund Manager. Many INGOs have sub-agreements with local CSO partners.*

trips, the Fund Manager assesses the progress of partner projects, identifies issues with project implementation, and tries to capture lessons through comparative analysis of the approaches used. Debriefings with partners are conducted after each visit to discuss findings and agree on actions for follow up. Fund Board members also make visits to projects on a regular basis. In 2012, the Fund Manager conducted 120 field-monitoring trips to 349 villages.[93]

All IPs are also required to submit a mid-year report and an annual report to the Fund Manager. These reports include monitoring data on activities, outputs, and outcomes, as well as narrative and financial information.

LIFT-funded projects are also audited on an annual basis. In 2012, the audit of US$11 million of 2011 expenditures reported by 28 national and international NGO partners of LIFT for 42 projects was conducted in two types of assignments: expenditure verification for the IPs that were audited in 2010 and a full audit for the new IPs who had not been audited before. Overall results were positive and no serious issues were identified. Average scores for the five new national NGOs audited were the same as the average score for the five new international NGO partners.

After an audit each IP prepares an Audit Action Plan to address the audit findings. The Fund Manager follows up to check on the plan and also requires that IPs report on the implementation of the plan in their annual and semi-annual reports. This is the main process by which the Fund Manager tries to ensure that IPs have adequate internal financial controls in place.

The first three of the mechanisms mentioned above focus largely on the results that projects are delivering. To augment this, LIFT introduced in 2012 a system to monitor systematically the project management performance of all implementing partners. The indicators have been carefully selected to be as objective as possible.

Table 30: Process indicators used to monitor project management performance[94]

	Indicator	Definition used	Rationale and assumptions
1	Implementation rate	Proportion of budget spent/ Proportion of project elapsed	An assumption is made that expenditure is evenly spread over the project life, and that if spending falls behind this average rate, there are issues with project implementation that should be investigated.
2	Annual expenditure rate	Reported expenditure for 2012/ Budget for 2012	LIFT is keen to ensure that partners have sufficient funds to implement their projects, but funds should not be disbursed in advance of when they are required. Fund Manager monitors IPs' ability to budget accurately.
3	Reporting (timeliness)	No. of days late for submission of annual narrative and financial reports (2012)	The Fund Manager requires reports to be submitted on time so that all LIFT annual and semi-annual reports can be submitted in a timely manner to the Fund Board and Donor Consortium.
4	Reporting (completeness)	No. of LIFT log frame indicators reported on/ No. of indicators overlapping with LIFT log frame	The reporting of IPs is crucial to the Fund Manager's ability to report on aggregate progress against LIFT's log frame. IPs agree to report annually against some of LIFT's log frame indicators and the Fund Manager records the degree to which this is done.

93 *The trips were to: the Delta (49), Dry Zone (34), Hilly Region (19) and the Coastal Region (18).*

94 *These indicators should not be confused with the progress indicators reported on in previous sections of the report. The indicators used in this table focus on the project management process.*

	Indicator	Definition used	Rationale and assumptions
5	Management controls	No. of open audit observations from 2011 audit	Having adequate management controls in place is crucial to avoiding fraud (among other things). The Fund Manager requires all IPs to report regularly on whether or not they implement audit findings.

Based on the above, each LIFT-funded project is assigned a series of "traffic light" status indicators, which the Fund Manager uses to identify high-risk grants. The results for the projects active in 2012 are summarised in Table 31.

Table 31: Summary of risk assessment against project management process indicators (2012) by "traffic light" category

	Indicator	Low risk (Green)		Medium risk (Yellow)		High risk (Red)	
		Threshold	% of grants	Threshold	% of grants	Threshold	% of grants
1	Implementation rate (N=43)	>90% on track	44%	71% - 90% on track	23%	<=70% on track	33%
2	Annual expenditure rate (N=42)	>90% spent	21%	71% - 90% spent	33%	<=70% spent	45%
3	Reporting timeliness (N=44)	0 days late	61%	1-7 days late	18%	>8 days late	20%
4	Reporting completeness (N=29)	100% complete	21%	71 - 99% complete	31%	<=70% complete	48%
5	Management controls (N=25)	0 open observations	52%	1-3 open observations	28%	>3 open observations	20%
Overall rating		12 projects	32%	18 projects	41%	14 projects	32%

From the table above, many projects appear to have experienced delays in implementation; a third of all grants were rated as high risk in terms of their implementation rate (the proportion of budget spent divided by the proportion of the project period elapsed). This is re-enforced by Indicator 2 where a full 45% of projects spent less than 70% of their 2012 budgets, indicating that partners consistently over-estimate their annual expenditure. Further work will be required by the Fund Manager in 2013 to determine which projects are likely to require extensions in order to meet project outputs and outcomes.

Both reporting timeliness and completeness has been problematic for many partners, which makes complete and timely reporting difficult for the Fund Manager. Only 61% of projects submitted annual reports on time. On a positive note, partners have generally been good at completing post-audit actions as agreed with LIFT (i.e., implementing their Audit Action Plans). This indicates that most partners have strengthened their internal controls since they were audited in 2011.

A report with "traffic light" status indicators for each LIFT-funded project is included in Annex 6. Fourteen projects were rated as overall high risk. The main issue with almost all projects identified as high risk was slow implementation. In 2013, additional work will be done on the traffic light status indicators, and the reports of these indicators will be submitted to the Fund Board every six months.

5. Lessons

1. The intensification of the rice cropping system in the Delta will be slow.

Farmers in the Delta face a number of barriers to adopting hand transplanting despite the demonstrated advantages of doing so. Even though farmers understand there are potential yield increases from hand-transplanting (e.g., 20 to 50% WHH/GRET's demonstration sites), and seeding rates can be significantly reduced (by 40 to 50%), there are strong constraints to farmer adoption, the main ones being: inadequate on-farm water management; difficulties in mobilising sufficient skilled labour for transplanting: and, poor access to affordable credit to pay for required inputs. Even if clearly preferable, it will take some years for transplanting to be widely adopted. For now, many farmers prefer to watch other farmers experiment and then try a little themselves.

Further study is required of the factors inhibiting adoption in the different agro-ecological environments on the Delta (freshwater and brackish zones). In particular, the labour market in the Delta needs some in-depth study as does the potential for labour-saving equipment for small-scale farmers during periods of peak labour demand.

2. To be effective, farmer field schools must be tailored to specific local conditions.

While LIFT-supported FFSs are showing positive results, especially in the Hilly Region, field visits and IP reports show that some FFSs are more successful than others in supporting improved results for farmers. From results so far, and many of the FFS have only been operational for one calendar year, adoption rates for improving cropping practices ranged from 20 to 70% across projects and yield increases reported by farmers generally ranged from 30 to 60%. For example, Metta Foundation reported an average adoption rate for new cropping methods of 65% and an average adoption rate for new tools (rakes, seeders, and weeders) of 40%, but this ranged from 50% in Shan State to 20% in Kachin. The key factors that appear to be influencing the success of the FFS are: ensuring that curricula are sufficiently adapted to local conditions and the priorities of farmers; ensuring good-quality learning materials are available to farmers; identifying and supporting FFS "champions" in the community; employing FFS facilitators that have a sufficient theoretical grounding in agronomy; and linking the FFS to government extension agents wherever possible. Capacity building for project staff is important to ensure the required technical skills and teaching methods are applied to FFS.

LIFT will do a more thorough review of partners' experiences with FFS in 2013 to draw out more lessons and to identify key training needs of IPs.

3. Farmers are ready to buy seed they can trust.

The demand for improved seeds by farmers in the Delta is high and they are ready to pay a fair price to the seed growers if they can trust the quality of the seeds. One of LIFT's priorities in the Delta is to increase the availability of improved paddy seeds to allow farmers to renew their seed stock regularly to retain quality and performance. During the 2012 monsoon season, five LIFT partners were able to support seed growers to increase production of good paddy seed by about 23,000 baskets, sufficient to plant about 15,000 acres of paddy. The seed growers were able to sell all of their production to farmers in their immediate vicinity at relatively high prices because neighbouring farmers had seen for themselves the seeds being grown, harvested and properly stored.

However, there appear to be a number of challenges with expanding the production and distribution of seeds to the scale required to have significant impact across the three townships where LIFT is working. The main issue appears to be a lack of agreed protocols for seed multiplication. The standard quality control procedures for certification are unclear and the term seems to be used incorrectly by some IPs. This has been confirmed by IRRI, which has advised that LIFT should seek to more actively coordinate its IPs working with seeds to ensure minimum technical standards are consistently applied. LIFT will support further analysis on the options for structuring the seed value chain, including more systematic independent and standardised quality control, intermediate multiplication of registered and certified seeds by private companies, and extension of distribution channels beyond local exchanges.

4. Access to markets, more than market information, is a major constraint on farmer incomes.

Most farmers report a reasonable knowledge of local market prices, but there is a need to build better linkages between markets and farmers, so that farmers can make decisions based on that information. LIFT's Baseline Study, as well as another study done by Mercy Corps, found that farmers appear to have reasonably good access to market information.[95] However, farmers rarely form groups to improve their bargaining power and, according to LIFT's Baseline Study, only 10% of farmers claim to sell part of their produce collaboratively with other farmers. Many farmers also sell their crops to brokers' immediately after harvest (regardless of the price offered) due to lack of proper storage facilities, high interest rates on agricultural loans from the informal sector, and the high cost of transport to market towns. Out of the 41 townships covered by LIFT projects in the Dry Zone, only eight townships have formal commodity wholesale centres where rural produce is traded. This lack of market access makes rural communities vulnerable to prices set by local traders.

One activity with potential for scaling up is the establishment of commodity exchange centres. One LIFT partner, MBCA, has established two new centres, one of which appears to be successful enough that traders are sharing the cost of buying the land and constructing a permanent building for the centre. Farmers also report that the centres provide an opportunity to get significantly better prices for their produce. Benefits, such as better prices and easier access to commodity volumes for the farmers and the traders, respectively, act as incentives for both parties to utilise the facility.

5. Collective action at community level is common, but relatively few CBOs work on livelihoods-related issues.

Researchers on the QSEM project did not find any identifiable livelihoods groups (across 36 villages) that had arisen organically or that had pre-existed aid programmes. This possibly explains the felt need for agencies to organize new committees/ structures to focus on livelihoods activities and establishing new CBOs is a common activity in LIFT-funded projects, despite the fact that many CBOs already exist in all villages.

Many LIFT partners, especially in the Dry Zone, implement their projects using a community development approach and, although all of these projects are less than two years into implementation, some observations and tentative lessons can be drawn. The key lessons emerging so far are: the experience and skill of village-level facilitators is a key success factor, but many NGOs rely on young and inexperienced staff with only superficial training in community mobilisation and facilitation activities; this is exacerbated by the broad portfolio of activities implemented by many IPs as village-level staff often feel overwhelmed; IPs have developed and are using some interesting participatory planning tools, which may provide examples for wider scale up; and, providing support to communities in cash appears preferable to support in kind.

95 *The LIFT Baseline Study (2012) found that 86% of farmers that sold their harvest in the preceding 12 months claimed to have had price information from informal sources (family/friends 70% and dealers/brokers 60%) prior to selling.*

6. Currently, there are limits to what functions farmer organisations are willing and able to take on.

Support for farmer organisations within LIFT projects has generally been successful in helping farmers negotiate better terms with paddy value chain actors, but there are limits to what other functions farmer organisations are willing and able to take on, at least in the short term. Four LIFT partners have experienced some success by supporting new farmer organisations to undertake bulk purchase of agricultural inputs, collective marketing of produce and collective ownership and/or management of agricultural equipment, including those for post-harvest management. The early lessons that appear to be emerging are that: collective input purchases appear to be generating savings for farmers; the experience of joint management and ownership of agricultural equipment has been disappointing because groups could not afford, or were not willing, to share the responsibilities of service and maintenance of the equipment; and, farmer organisations serving multiple villages are significantly complicated to establish than those serving single villages.

6. Fund Management

6.1 Communications

LIFT's profile within Myanmar and internationally significantly increased in 2012. LIFT was featured or mentioned once every two weeks in the local and international media in 2012.

LIFT National Knowledge Forum

On 10 December 2012, LIFT organised a National Knowledge Sharing Forum and Seminar on "Priorities in Agriculture Development of Myanmar" at the Assembly Hall of MoAI in Naypyitaw. The event was held in partnership with the Ministry for Agriculture and Irrigation (MoAI), the Ministry for National Planning and Economic Development (MNPED), and FAO. Besides the Union Ministers and Deputy Ministers from MoAI and MNPED, the meeting was also attended by the Union Minister for Livestock and Fisheries and the Union Minister for Environmental Conservation and Forestry. It was the first high-level agricultural development forum jointly organised between government ministries and the LIFT Fund and was attended by more than 300 participants from government (including six Union Ministers), UN agencies, development partners and civil society.

The Forum focused on importance of gathering reliable data and using this to formulate evidence-based policies to support equitable agriculture growth. There were presentations on: the LIFT Baseline Study, MDRI/USAID's Food Diagnostic Study, the MoAI's priorities in agriculture and presentations from LIFT IPs highlighting innovative activities in microfinance, participatory varietal selection and farmer-led extension. LIFT-funded projects were also featured in a "market place" that had more than 15 exhibits by local and international NGOs.

Other events

The Fund Manager highlighted LIFT's projects at the following events in 2012: the UN's high-level Global Compact event in Myanmar, which was organised during the visit of UN Secretary General Ban Ki-moon; World Food Day; International Women's Day; and, World Environment Day.

Social media and website

LIFT is using Facebook as a social media platform and LIFT's Facebook page can be viewed at: http://www.facebook.com/pages/Livelihoods-and-Food-Security-Trust-LIFT-Fund/212911775454809. The Fund Manger also launched a LIFT twitter account and regularly updates both social media accounts (twitter and http://www.facebook.com/liftfund) with the latest agricultural news and crop prices.

LIFT launched a new website that contains a project database that provides information on LIFT's activities (http://www.lift-fund.org/project-search). LIFT's homepage has been translated into the Myanmar language so that local readers can learn more about LIFT. The Myanmar version of the gender strategy and the 2011 Annual Report are available on the LIFT Fund website. Moreover, LIFT's *Baseline Survey Report* and the *Delta 1 Evaluation* reports have been posted on the website. The Fund Manager continues to load updates and new stories onto the LIFT website www.lift-fund.org. Website traffic increased by more than 500% in 2012.

There were more than 25 articles reported by both local and international media about LIFT in 2012. The following are some examples of stories that featured LIFT and its activities. Read them at http://www.lift-fund.org/lift-in-action/press-releases:

- The French Development Agency joins LIFT to reduce poverty in Myanmar
- Prosperity: Food Security: The United States joined eight other donors in the Livelihoods and Food Security Trust Fund (LIFT), a multi-donor trust fund managed by the United Nations.
- Denmark provides more than US$ 4 million to improve livelihoods in Myanmar
- http://myanmar.com/newspaper/nlm/index.html; http://www.globaltimes.cn/content/727061.shtml
- New Zealand aid supports poor households in the rural Myanmar

Media Visits

The Fund Manager arranged several media visits for journalists to meet LIFT's project beneficiaries. All stories can be found: http://www.lift-fund.org/lift-in-action/. The stories included a project implemented by SWISSAID in Kachin State in July written by a journalist from the Myanmar Times. The Fund Manger also arranged for AFP to visit Pyapon Township in the Delta to report on microfinance activities. Several news websites and newspapers including the Myanmar Times picked up the story.

Microfinance offers lifeline to Myanmar rural poor.
http://www.google.com/hostednews/afp/article/ALeqM5i02tvslUlEIUPswzoRhAwrsQQPxQ?docId=CNG.ed24e28718e754bb5604b601c9bc2a4e.281

Myanmar farmers listen in to tune out hunger
http://reliefweb.int/report/myanmar/myanmar-farmers-listen-tune-out-hunger

In December, the Fund Manager arranged a visit for 13 journalists to the Delta sponsored by EuropeAid that resulted in the stories published in more than seven European countries. Some links below:

- BBC, Rebuilding Burma's cyclone-hit Irrawaddy Delta, Jonathan Head
  http://www.bbc.co.uk/news/world-asia-20778768
- La Stampa, La povertà della Birmania profonda, Alessandro Ursic
  http://lastampa.it/2012/12/17/blogs/asian-express/la-poverta-della-birmania-profonda-JgNxmBx-VXklZ7MotwrXUzL/pagina.html
- BBC, Rebuilding Burma's Cyclone Nargis-hit Irrawaddy Delta
  http://www.bbc.co.uk/news/world-asia-20807674
- The Financial Times, Myanmar – A nation rises, David Pilling and Gwen Robinson
  http://www.ft.com/intl/cms/s/0/c0b9be60-3df9-11e2-91cb-00144feabdc0.html#axzz2EAIVCa65
- Obama w O-Burmie, czyli pierwsza zagraniczna wizyta prezydenta USA, Drugiej Kadencji
  http://wyborcza.pl/1,75477,12887426,Obama_w_O_Burmie__czyli_pierwsza_zagraniczna_wizyta.html#ixzz2d2mOBAFu
- The Independent, Lives still in limbo for Burma's forgotten cyclone victims, Andrew Buncombe
  http://www.independent.co.uk/news/world/asia/lives-still-in-limbo-for-burmas-forgotten-cyclone-victims-8374277.html
- De Standaard, Verstoten straatkat wordt aanlokkelijke tijger, 9 December 2012
- Le Monde, Les ONG au secours du riz de lrrawaddy, 18 December 2012

Visibility and publicity

More than 500 copies of LIFT Annual Report 2011 and other reports were printed in the Myanmar language and widely distributed to central, state, and regional government officials, and to private and public organisations in Myanmar. Publicity items including 50 sport shirts and 100 caps with the LIFT logo were produced and distributed. LIFT's visibility and publicity items were provided as prize winners at the UN Day event held in Naypyitaw.

Partner learning

The LIFT Fund Manager visits each project three times a year and shares its findings with the IP, both at field sites and in Yangon. However, lessons are not shared systematically with other IPs. There also appears to be a limited identification of lessons by the IPs themselves, and limited sharing of those lessons for the wider good. While there is scope for IPs to take greater initiative in forging a higher level of collaboration with other agencies, the Fund Manager can take a more active role in supporting this initiative. This could mean LIFT including national IP staff in its field monitoring visits as partner-peer reviewers. This could enhance learning for the peer reviewer, as well as for the visited organisation. The choice of partner could be geographical, i.e., someone working in the same location, or it could be thematic. The Fund Manager can also provide incentives to IPs to share their learning through communities of practice and hold regional lessons learned workshops with IPs and staff from the Department of Agricultural Research. These workshops could also be filmed and shared across Myanmar on the new radio and TV Farmer's channel expected to be launched in 2013.

6.2 Finance

As of 31 December 2012, the cumulative donor commitments and contributions (payments made) to LIFT were as follows:

Table 32: Cumulative donor commitments and contributions (US$)[96]

Donors	Signed commitments	Contributions (received)
Australia	19,046,899	13,342,904
Denmark	4,217,269	4,217,269
European Union	72,645,434	36,635,104
Netherlands	2,950,000	2,950,000
New Zealand	809,650	809,650
Sweden	2,725,776	2,725,776
Switzerland	5,170,119	5,170,119
United Kingdom	57,056,700	32,826,750
United States	600,000	600,000
France	1,319,800	1,319,800
Interest earned		564,475
Total	166,541,647	101,161,847

LIFT expenditures in 2012 were $31.6m against a budget of $37.2m. LIFT had expected to start the Tat Lan programme in Rakhine State in 2012, but it was delayed until early 2013 due to two outbreaks of ethnic violence, which caused delays and complicated the design. Some of the under-spend is also due to UNOPS' change from United Nations System Accounting Standards (UNSAS) to International Public Sector Accounting Standards (IPSAS) in 2012, under which expenditures are recorded only upon receipt of goods and services rather than upon their commitment, which was the practice prior to 2012.

Table 33: LIFT expenditures for the year 2012 were as follows (US$)

Activity	Budget	Actual
Grants to implementing partners	32,388,672	27,684,582
Research & visibility	1,021,598	605,792
Operation of the Fund Manager's office	2,909,401	2,641,998
Support to the Fund Board	239,245	186,264
Facilities & administration	596,371	500,614
Total	37,155,287	31,619,250

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

Annexes

ANNEX 1:	LIFT project locations
ANNEX 2:	On-going LIFT projects by funding windows (N=44)
ANNEX 3:	IP projects that reported on LIFT logical framework indicators in 2012
ANNEX 4:	Details on the provision of credit

ANNEX 1: LIFT Project locations

As of 2012, LIFT is working in 12 states / regions, 36 districts, 9 townships across the country.

States / Regions

1. Ayeyarwady
2. Bago
3. Chin
4. Kachin
5. Magway
6. Mandalay
7. Rakhine
8. Sagaing
9. Shan
10. Tanintharyi
11. Yangon

Districts

1. Bago
2. Bhamo
3. Dawei
4. Falam
5. Kale
6. Kengtung
7. Kyaukme
8. Kyaukpyu
9. Kyaukse
10. Labutta
11. Laukkaing
12. Loilen
13. Magway
14. Meiktila
15. Minbu
16. Mohnyin
17. Monghpyak
18. Monywa
19. Myingyan
20. Myitkyina
21. Nay Pyi Taw
22. Nyaung-U
23. Pakokku
24. Pathein
25. Puta-O
26. Pyapon
27. Pyinoolwin
28. Sagaing
29. Shwebo
30. Sittwe
31. Taunggyi
32. Taungoo
33. Thandwe
34. Thayet
35. Yamethin
36. Yangon (South)

Townships

1. Aunglan
2. Ayadaw
3. Bhamo
4. Bogale
5. Chauk
6. Chaung-U
7. Dawei
8. Dedaye
9. Falam
10. Gwa
11. Hakha
12. Hopong
13. Hsihseng
14. Htantlang
15. Injangyang
16. Kalaw
17. Kale
18. Kamma
19. Kawhmu
20. Kengtung
21. Khin-U
22. Konkyan
23. Kungyangon
24. Kyaiklat
25. Kyaukme
26. Kyaukpadaung
27. Kyaukpyu
28. Kyaukse
29. Kyonpyaw
30. Labutta
31. Laukkaing
32. Machanbaw
33. Madaya
34. Magway
35. Mahlaing
36. Mansi
37. Mawlamyinegyun
38. Meiktila
39. Minbu
40. Minbya
41. Mogaung
42. Momauk
43. Mongkaung
44. Mongyawng
45. Monywa
46. Mrauk-U
47. Myaing
48. Myaung
49. Myebon
50. Myingyan
51. Myinmu
52. Myitkyina
53. Myittha
54. Myothit
55. Natmauk
56. Natogyi
57. Nawnghkio
58. Nawngmun
59. Nay Pyi Taw
60. Ngapudaw
61. Ngazun
62. Nyaungshwe
63. Nyaung-U
64. Pakokku
65. Pale
66. Pauk
67. Pauktaw
68. Pindaya
69. Pinlaung
70. Puta-O
71. Pwintbyu
72. Pyapon
73. Pyawbwe
74. Sagaing
75. Salin
76. Salingyi
77. Seikphyu
78. Shwebo
79. Shwegu
80. Shwegyin
81. Sidoktaya
82. Sintgaing
83. Sumprabum
84. Taungdwingyi
85. Taunggyi
86. Taungoo
87. Taungtha
88. Taze
89. Thazi
90. Tiddim
91. Tonzang
92. Waingmaw
93. Wundwin
94. Yamethin
95. Yenangyaung
96. Yesagyo
97. Ye-U
98. Yinmabin
99. Ywangan

ANNEX 2: Ongoing LIFT projects by funding windows (N=44)

Country Wide (16)

1. ActionAid
2. ADRA
3. CESVI
4. DPDO
5. EcoDev
6. GRET
7. HelpAge
8. Proximity Designs
9. MBCA
10. MCS
11. Mercy Corps
12. MERN
13. METTA
14. Oxfam GB
15. SwissAid
16. UNDP

Learning and Innovation (13)

1. ActionAid-GEN
2. CARE
3. FSWG
4. IRRI
5. IRRI-Research
6. Save the Children-Paung Ku
7. Radanar Ayar
8. Save the Children-LEARN
9. ActionAid -SPPR
10. UNHABITAT
11. WFP
12. Mercy Corps
13. Oxfam-BLO

Direct Grant (2)

1. ActionAid
2. Oxfam

Financial Inclusion (4)

1. UNCDF-MAP
2. UNCDF-MicroLead
3. PACT (MARC)
4. World Bank (IBRD)

Delta –II (9)

1. ADRA
2. AVSI
3. Proximity Designs
4. LEAD
5. Mercy Corps
6. MSN
7. PACT
8. UNDP
9. WHH

Study grants

Rakhine

- CDN

QSEM

- The World Bank and Myanmar Development Research

ANNEX 3: IP projects that reported on LIFT logical framework indicators in 2012

IP-projects reported on LIFT Logical Framework indicators in 2012

LIFT Indicator / IP Project	P 1	P 2	P 3	P 4	P 5	O 1.1	O 1.2	O 1.3	O 2.1	O 2.2	O 2.3	O 3.1	O 3.2	O 4.1	O 4.2	O 4.3	O 5.1	O 5.2	O 5.3	LIFT LF over-lap	LIFT LF actual reported against
Country Wide																					
ActionAid	*	*		*	*							*		*			*	*		8	2
CESVI	*	*		*	*	*	*		*	*	*	*						*		11	8
ADRA	*	*	*		*	*	*		*	*	*	*				*		*		12	9
DPDO	*	*		*	*	*	*	*	*	*								*		10	9
EcoDev	*							*	*	*								*		5	5
GRET	*	*			*	*	*					*					*	*		8	5
HelpAge	*			*	*	*	*			*	*	*					*	*		10	6
MBCA	*																			1	0
Mercy Corps	*	*	*		*	*	*							*			*	*		9	6
MCS	*				*				*	*	*							*		6	6
MERN		*		*	*	*	*			*		*	*	*		*	*	*		12	11
Metta		*		*	*	*	*											*		6	5
Oxfam	*	*		*		*	*				*	*	*	*	*	*	*	*		13	13
Proximity Design	*			*			*	*						*		*		*		7	5
SwissAid	*			*	*	*	*		*	*				*		*	*	*		11	9
UNDP-GRET, PACT	*	*						*		*	*									5	2
Delta II																					
AVSI		*		*	*	*										*		*		6	5
ADRA	*									*	*							*		4	3
LEAD	*	*					*											*		4	4
Mercy Corps	*	*					*										*	*		5	2
MSN	*											*	*							3	2
PACT	*							*		*	*							*		5	3
UNDP-PACT	*							*	*	*										4	4
WHH-GRET	*	*			*	*	*	*	*									*		8	7
Proximity Design	*	*		*		*	*							*				*		7	2
Delta Grant																					
ActionAid																	*	*		2	2
Oxfam-NAG	*										*							*		3	2
Learning Innovation Window																					
IRRI	*	*				*	*													4	
Radanar Ayar	*	*																		2	2
Count *	25	17	2	11	13	14	16	6	8	12	10	8	3	7	1	6	9	23	0		
Percentile *	60%	53%	50%	73%	77%	86%	81%	83%	100%	67%	50%	88%	100%	57%	100%	83%	89%	74%			
Radanar Ayar	3	1	8	5	8	5	4	4	4	3	4	3	5	4	7	2	0	0	3		

Note:

*	The matching indicators between IP logframe and LIFT logframe
*	LIFT LF actual reported against
	The one they have actually reported against

IP projects coverage of LIFT Logical Framework Indicators

LIFT Indicator / IP Project	P 1	P 2	P 3	P 4	P 5	O 1.1	O 1.2	O 1.3	O 2.1	O 2.2	O 2.3	O 3.1	O 3.2	O 4.1	O 4.2	O 4.3	O 5.1	O 5.2	O 5.3	**LIFT LF over-lap**	LIFT LF actual reported against	Remarks
Learning Innovation Window																						
ActionAid-GEN																	*	*		2		
CARE																		*		1		
IRRI-Research																	*	*		2		
Save the Children-Paung Ku																	*			1		
Save the Children-LEARN																	*			1		
ActionAid-SPPR																	*	*		2		
UNHABITAT																	*			1		
WFP																	*			1		
Mercy Corps																	*			1		
Oxfam-BLO		*				*	*													3		
Financial Inclusion																						
UNCDF-MAP																				0		
UNCDF-MicroLead								*		*										2		
PACT (MARC)	*	*						*		*	*						*	*		7		
World Bank (IBRD)																				0		No LF
Rakhine																						
CDN																				0		No LF
QSEM																						
World Bank																				0		No LF

ANNEX 4: Details of provision of credit

Status of Targets and Achievements against credit related LIFT indicators

Indicator	Milestone up to Dec-2012	Achieved up to Dec-2012	% of achieved against milestone
O1.3 Number and % of households in LIFT supported villages accessing credit from low interest MFIs, or VSLAs, for agriculture	60,000	69,300	116%
O2.2: Number and % of households in LIFT supported villages accessing credit from low interest MFIs, or VSLAs, for non-agricultural livelihoods	15,000	17,800	119%

Achievement by Region for provision of credit provided by Pact, GRET, Save the Children, MercyCorps, and Proximity Designs (until end December 2012)

Region	Achievements up to December 2012		
	No. of villages	No. of HHs	Total loan amount (US$)
Dry Zone	2,911	32,590	5,131,507
Delta	462	13,648	1,851,918
Hilly Region	185	13,610	2,043,611
Grand Total	3,558	59,848	9,027,036

Number of households that benefited from credit activities

Zone	IP	# of villages	# of HHs	# of HHs with women clients
Delta		462	13,648	12,501
	MercyCorps	164	2,802	1,843
	PACT	43	2,414	2,414
	UNDP/PACT Delta 2	247	8,413	7,051
	UNDP/PACT Delta 1	65	1,218	1,218
Dry		2,911	32,590	25,609
	Proximity Designs	903	6,990	1,675
	UNDP/PACT	209	23,560	23,420
	UNDP/SC	159	2,030	513
Hilly		185	13,610	13,600
	UNDP/GRET	4	81	81
	UNDP/PACT	179	13,517	13,517
Total		3,558	59,848	51,710

Summary of agricultural loans provided up to end 2012

Zone	IP	# of villages	# of HHs	Total Loan (US$)
Delta		519	14,847	1,471,583
	MercyCorps	164	2,802	524,589
	PACT	43	2,414	349,824
	UNDP/PACT - Delta 2	247	8,413	417,170
	UNDP/PACT - Delta 1	65	1,218	180,000
Dry		1,152	31,706	3,840,317

Zone	IP	# of villages	# of HHs	Total Loan (US$)
	Proximity Designs	903	6,990	658,850
	UNDP/PACT	196	23,041	3,041,425
	UNDP/SC	53	1,675	140,042
Hilly		183	13,598	2,043,611
	UNDP/GRET	4	81	11,479
	UNDP/PACT	179	13,517	2,032,132
Grand Total		1,854	60,151	7,355,511

Total number of non-agricultural loans provided up to December 2012

Zone	IP	# of villages	# of HHs	Total Loans (US$)
Delta		247	2,534	380,335
	UNDP/Pact	247	2,534	380,335
Dry		249	13,186	1,291,190
	UNDP/SC	53	355	14,534
	UNDP/Pact	196	12,831	1,276,656
Grand Total		496	15,720	1,671,525

Summary of IPs organised village revolving fund and achievement up to 2012 (credit for agricultural purpose)

IPs	# of villages	# of HHs	Total Loans (US$)
ActionAid	48	1,131	51,002
DPDO	69	1,249	31,831
LEAD	21	156	14,686
MercyCorps	164	5,289	448,044
MERN	51	1,190	61,462
SwissAid	15	152	25,583
WHH	2	12	6,538
Total	370	9,179	639,146

Total number of village based revolving funds until end 2012 (credit for non-agricultural purpose)

IPs	# of villages	# of HHs	Total Loans (US$)
ActionAid	20	134	4,452
ADRA	9	100	10,000
EcoDev	8	20	10,000
MCS	6	182	12,100
Mercy Corps	27	466	24,655
MERN	29	281	50,752
Oxfam	67	920	71,207
SwissAid	2	26	1,981
Total	168	2,129	185,147

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