



No: PAD3062

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 72 MILLION

(US\$100 MILLION EQUIVALENT)

TO THE

REPUBLIC OF THE UNION OF MYANMAR

FOR A

MATERNAL AND CHILD CASH TRANSFERS FOR IMPROVED NUTRITION PROJECT

August 30, 2019

Social Protection and Jobs Global Practice
East Asia And Pacific Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.



CURRENCY EQUIVALENTS

(Exchange Rate Effective June 30, 2019)

Currency Unit = Myanmar Kyat (MMK)

MMK 1,515 = US\$1

US\$ 1.39 = SDR 1

FISCAL YEAR

October 1 - September 30

Regional Vice President: Victoria Kwakwa

Acting Country Director: Gevorg Sargsyan

Regional Director: Daniel Dulitzky

Practice Manager: Philip O'Keefe

Task Team Leader(s): Francesca Lamanna, Nang Mo Kham



ABBREVIATIONS AND ACRONYMS

ANC	Antenatal Care
ASEAN	Association of Southeast Asian Nations
CCT	Conditional Cash Transfer
COSS	Community Outreach and Social Support Sessions
CPF	Country Partnership Framework
CPPF	Community Participation Planning Framework
CSO	Civil Society Organization
DA	Designated Account
DHS	Demographic and Health Survey
DLI	Disbursement-Linked Indicator
DP	Development Partner
DSW	Department of Social Welfare
EAO	Ethnic Armed Organizations
ECOP	Environmental Code of Practice
EHO	Ethnic Health Organizations
EHSAP	Essential Health Services Access Project
EHSAP-AF	Essential Health Services Access Project Additional Financing
ERM	Emergency Response Manual
ETC	Executive Tender Committee
FM	Financial Management
GAD	General Administration Department
GDP	Gross Domestic Product
GoM	Government of Myanmar
GRM	Grievance Redress Mechanism
HCI	Human Capital Index
HCP	Human Capital Project
IBM	Iterative Beneficiary Monitoring
ICT	Information and Communication Technology
IDP	Internally Displaced Person
IFR	Interim Financial Report
IHLCA	Integrated Household Living Conditions Assessment
IPL	Inclusion and Peace Lens
IYCF	Infant and Young Child Feeding
LIFT	Livelihoods and Food Security Trust
M&E	Monitoring and Evaluation
MCCT	Maternal and Child Cash Transfer
MDG	Millennium Development Goal
MDI	Multidimensional Disadvantage Index
MEB	Myanmar Economic Bank
MIS	Management Information System



MMFCS	Myanmar Micronutrient and Food Consumption Survey
MOALI	Ministry of Agriculture, Livestock and Irrigation
MOE	Ministry of Education
MOHS	Ministry of Health and Sports
MOLIP	Ministry of Labor, Immigration and Population
MOSWRR	Ministry of Social Welfare, Relief and Resettlement
MSDP	Myanmar Sustainable Development Plan
MS-NPAN	Multisectoral National Action Plan for Nutrition
NCA	Nationwide Ceasefire Agreement
NCDDP	National Community-Driven Development Project
NFASP	National Food and Agriculture Systems Project
NGO	Nongovernmental Organization
NNC	National Nutrition Center
NSCG	Nutrition Sector Coordination Group
NSPSP	National Social Protection Strategic Plan
OM	Operations Manual
PDO	Project Development Objective
PNLO	Pa-Oh National Liberation Organization
POM	Project Operations Manual
POMT	Project Operations and Management Team
PPSD	Project Procurement Strategy for Development
PST	Project Support Team
RCSS	Restoration Council of Shan State
R/S	Region(s)/ State(s)
SBA	Skilled Birth Attendant
SBCC	Social Behavioral Change Communication
SCD	Systematic Country Diagnostic
SOE	Statement of Expenditure
SP	Social Protection
SPC	Social Protection Committee
SSN	Social Safety Net
SSPP	Shan State Progressive Party
STEP	Systematic Tracking of Exchanges in Procurement
SUN	Scaling Up Nutrition
TA	Technical Assistance
TNLA	Ta'ang National Liberation Army
TOR	Terms of Reference
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
VCSW	Voluntary Community Social Workers
V-SPC	Village Tract Social Protection Committee
WFP	World Food Programme



TABLE OF CONTENTS

DATASHEET	1
I. STRATEGIC CONTEXT	8
A. Country Context.....	8
B. Sectoral and Institutional Context	9
C. Relevance to Higher Level Objectives	18
II. PROJECT DESCRIPTION.....	21
A. Project Development Objective	21
B. Project Components	22
C. Project Beneficiaries	29
D. Results Chain.....	29
E. Rationale for Bank Involvement and Role of the Partners.....	31
F. Lessons Learned and Reflected in the Project Design.....	31
III. IMPLEMENTATION ARRANGEMENTS	33
A. Institutional and Implementation Arrangements	33
B. Results Monitoring and Evaluation Arrangements	36
C. Sustainability.....	39
IV. PROJECT APPRAISAL SUMMARY	40
A. Technical, Economic and Financial Analysis (if applicable).....	40
B. Fiduciary	44
C. Safeguards	46
V. KEY RISKS	48
VI. RESULTS FRAMEWORK AND MONITORING	53
ANNEX 1: IMPLEMENTATION ARRANGEMENTS AND SUPPORT PLAN	65
ANNEX 2: INCLUSION AND PEACE NOTE.....	77



DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Myanmar	Maternal and Child Cash Transfers for Improved Nutrition Project	
Project ID	Financing Instrument	Environmental Assessment Category
P164129	Investment Project Financing	B-Partial Assessment

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

Expected Approval Date	Expected Closing Date
26-Sep-2019	31-Mar-2025

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The proposed Project Development Objective is to expand access to the Cash Transfer Program, to improve selected nutrition behaviors in priority target areas, and enhance the MOSWRR’s capacity to deliver social protection programs.



Components

Component Name	Cost (US\$, millions)
Component 1. Stimulating demand for good nutrition in the first 1,000 days in selected priority areas	91.28
Component 2. Enhancing MOSWRR's capacity to implement social protection programs	8.72
Component 3. Contingent Emergency Response	0.00

Organizations

Borrower: REPUBLIC OF THE UNION OF MYANMAR
 Implementing Agency: Ministry of Social Welfare, Relief and Resettlement

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	280.86
Total Financing	280.86
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	100.00
IDA Credit	100.00

Non-World Bank Group Financing

Counterpart Funding	180.86
National Government	180.86

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount



Myanmar	100.00	0.00	0.00	100.00
National PBA	100.00	0.00	0.00	100.00
Total	100.00	0.00	0.00	100.00

Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2020	2021	2022	2023	2024	2025
Annual	3.50	22.00	28.00	25.00	20.00	1.50
Cumulative	3.50	25.50	53.50	78.50	98.50	100.00

INSTITUTIONAL DATA

Practice Area (Lead)

Social Protection & Jobs

Contributing Practice Areas

Gender, Governance, Health, Nutrition & Population, Poverty and Equity

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF	Yes
b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment	Yes
c. Include Indicators in results framework to monitor outcomes from actions identified in (b)	Yes

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● High
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate



4. Technical Design of Project or Program	● High
5. Institutional Capacity for Implementation and Sustainability	● High
6. Fiduciary	● High
7. Environment and Social	● High
8. Stakeholders	● Substantial
9. Other	
10. Overall	● Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Performance Standards for Private Sector Activities OP/BP 4.03		✓
Natural Habitats OP/BP 4.04		✓
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓
Physical Cultural Resources OP/BP 4.11		✓
Indigenous Peoples OP/BP 4.10	✓	
Involuntary Resettlement OP/BP 4.12		✓
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓



Legal Covenants

Sections and Description

Financing Agreement, Schedule 2, Section I Para B

Project Manuals

- (1) The Recipient, through MOSWRR, shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual satisfactory to the Association.
- (2) The Recipient, through MOSWRR, shall ensure that Part 1.2 of the Project is carried out in accordance with the arrangements and procedures set out in the Cash Transfer Manual satisfactory to the Association.

Sections and Description

Financing Agreement, Schedule 2, Section I Para D

Cash Transfer

1. To facilitate the carrying out of Part 1.2 of the Project, the Recipient, through MOSWRR, shall ensure that the selection and enrolment of Beneficiaries and the provision of Cash Transfers are conducted in accordance with the provisions of this Agreement and the Cash Transfer Manual in a manner satisfactory to the Association.
2. Without limitation to the generality of Section I.D.1 above, the Recipient, through MOSWRR, shall ensure that no Beneficiary shall be eligible to receive a Cash Transfer unless the Recipient shall have documented that requirements set out in the Cash Transfer Manual have been satisfied, including but not limited to, the Beneficiaries' co-responsibilities.
3. (a) For purposes of carrying out Part 1.2 of the Project, and prior to the distribution of Cash Transfers to Beneficiaries by any Payment Agent selected under terms of reference and with qualifications and experience satisfactory to the Association, the Recipient, through MOSWRR, shall enter into an agreement with said Payment Agent (the Payment Agent Agreement), satisfactory to the Association.
4. The Recipient through MOSWRR shall, by no later than eighteen (18) months and thirty- two (32) months after the Effective Date of the Project, conduct two assessments by an independent third party on the performance of the Cash Transfer Program under Part 1.2 of the Project, under terms of reference acceptable to the Association.
5. Prior to delivering Cash Transfers under Part 1.2 of the Project in each Township, the Recipient through MOSWRR shall:
 - (a) ensure that said Township has an implementation structure in place satisfactory to the Association;
 - (b) carry out a Social Assessment and prepare a CPP for said Township in accordance with Section I.F 1(b) of Schedule 2 to this Agreement; and
 - (c) for a Township where it is deemed as necessary by the Association, (i) engage a third party under terms of reference with qualifications and experience satisfactory to the Association to support the implementation of Part 1 of the Project in said Township; and (ii) engage a third party under terms of reference with qualifications and experience satisfactory to the Association to monitor the implementation of Part 1 of the Project in said Township, including monitoring the implementation of the CPP in said Township.

Sections and Description

Financing Agreement, Schedule 2, Section I Para E



Safeguards

1. The Recipient through MOSWRR shall ensure that:
 - (a) the Project is carried out with due regard to appropriate health, safety, social, and environmental practices and standards, and in accordance with the Safeguards Instruments;
 - (b) for each activity under the Project for which the CPPF provide for the preparation of a site-specific SA and/CPP:
 - (i) proceed to have such site-specific SA and CPP: (A) prepared, reviewed and disclosed in accordance with the CPPF; (B) consulted upon adequately with people affected by the Project as per the CPPF; and (C) thereafter adopted, prior to implementation of a concerned activity; and
 - (ii) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such CPP, in a manner satisfactory to the Association.

3. Without limitation upon the foregoing, the Recipient through MOSWRR shall ensure that each contract for civil works to be financed out of the proceeds of the Financing or by counterpart funds under the Project shall include the obligation of the relevant contractor to carry out such works in accordance with the Safeguards Instruments.

4. The Recipient through MOSWRR shall ensure that no civil works or any other activity shall be approved and carried out under the Project which may involve any involuntary acquisition or restriction of access to land, productive assets or income or means of livelihood.

5. The Recipient through MOSWRR shall ensure that the terms of reference for any consultancies related to studies, assessments, regulations, and technical assistance activities under the Project shall be satisfactory to the Association and, to that end, such terms of reference shall, inter alia, duly incorporate the requirements of the Association’s safeguard policies then in force, as applied to the advice conveyed through such studies, assessments, regulations, and technical assistance activities.

Sections and Description

Financing Agreement, Schedule 2, Section I Para G

Contingent Emergency Response

1. The Recipient shall ensure that Part 3 of the Project (“Emergency Response Part”) is carried out in accordance with the Emergency Response Manual (“ERM”) (provided, however, that in the event of any conflict between the arrangements and procedures set out in the ERM and this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the ERM and of the emergency response implementation plan and safeguard instruments prepared pursuant to paragraph 2 of this Part G in accordance with the ERM.

Conditions

Type	Description
Disbursement	Financing Agreement, Schedule 2, Section III Para B - part (b)



	<p>For payments under Cash Transfer- Category (2)- unless and until the Association has received evidence to its satisfaction that the following aspects of the Cash Transfer Program have been developed:</p> <ul style="list-style-type: none"> (i) MOSWRR has entered into a Payment Agent Agreement with any Payment Agent for providing Cash Transfer services on behalf of MOSWRR, under the terms and conditions acceptable satisfactory to the Association; (ii) MOSWRR has adopted a Cash Transfer Manual, acceptable to the Association, for guiding the implementation of Part 1.2 of the Project; (iii) MOSWRR has put in place and operationalize an information management system to support implementation and monitoring of the Cash Transfers Program; and (iv) without limitation on the foregoing, the conditions set out in Section I.D, paragraph (5) in Schedule 2 to this Agreement shall have been met.
<p>Type Disbursement</p>	<p>Description Financing Agreement, Schedule 2, Section III Para B - part (c)</p> <p>For Emergency Expenditures under Category (3), unless and until the Association is satisfied all of the following conditions have been met in respect of said expenditures:</p> <ul style="list-style-type: none"> (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; (ii) the Recipient has adopted the ERM, in form and substance satisfactory to the Association, and has prepared and adopted an emergency response implementation plan for said activities, in accordance with the ERM and in form and substance satisfactory to the Association, setting out the objectives, performance indicators, scope, eligible expenditures, and fiduciary, safeguards and other implementation arrangements for such activities; (iii) the Recipient has ensured that all safeguards instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.F of this Schedule; (iv) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, for the purposes of said activities; and (v) the provisions of the ERM remain or have been updated for the inclusion and implementation of the Emergency Response Part.



I. STRATEGIC CONTEXT

A. Country Context

1. **Myanmar, with a population of about 53 million, embarked on multiple transitions in 2011, from a planned to an open market economy, from military to civilian rule, and from conflict to peace.** These complex transitions are ongoing. The economic openness and reforms accompanying the transition have produced early positive results. The country has witnessed remarkable economic growth, with gross domestic product (GDP) growth averaging 7.3 percent per year from 2011 to 2016, or 6.4 percent in per capita terms. This ranks Myanmar among the five fastest growing countries in the world,¹ well above the average of lower-middle-income countries (3.3 percent in per capita terms) and of the East Asia region (4.8 percent when excluding high-income countries).

2. **These transitions triggered growth and openness that resulted in improved welfare and visible socioeconomic changes.** Poverty declined from 48 percent in 2005 to 42 percent in 2010 and to 32 percent in 2015.² Nonmonetary welfare also improved. Middle school enrollment went from 52 percent to 71 percent between 2010 and 2017.³ The proportion of people using candles and kerosene as a source of lighting declined from 40 percent in 2010 to 7 percent in 2017. Reforms in the telecommunications sector have unleashed significant opportunities. Mobile phone ownership increased from 4.8 percent to 81.5 percent in the same period, with the majority being Internet-connected smartphones. The impact goes beyond mobile phone usage. People are becoming more active on social media platforms, and mobile financial services are providing new opportunities to effectively reach broader segments of the population.

3. **However, the benefits from the transition have not been widely shared with the poor.** Growth has not been as pro-poor or inclusive as it could have been. While its growth performance puts Myanmar among the top performers globally, its rate of poverty reduction over 2010–2015 has been less impressive, with a compound annual rate around the global average and well below the East Asia and Pacific's average.⁴ Reforms in the early years of the transition have unleashed faster expenditure growth among those people with capital, land, and education, who are typically less poor and live in urban areas. Myanmar's agricultural sector has lacked the momentum needed to support broad-based rural poverty reduction, and structural transformation remains slow.

4. **A victory for the National League for Democracy in 2015 in the first general democratic election marked a milestone in Myanmar's political and economic transition.** In addition to reviving efforts to promote peace and national reconciliation, the Government of Myanmar (GoM) has begun to reverse decades of severe underspending and institutional neglect in the social sectors—health, education, and social protection (SP). The senior leadership of the country has recognized the importance of investing in human capital to stimulate economic growth and the overall development of the country. Accordingly, it

¹ Excluding oil exporters and small countries.

² Ministry of Planning and Finance and World Bank (2017), *An Analysis of Poverty in Myanmar*, using Integrated Household and Living Conditions Assessment 1 (IHLCA-1) for 2005 data, IHLCA-2 for 2010 data, and Myanmar Poverty and Living Conditions Survey for 2015 data.

³ Central Statistical Organization, United Nations Development Programme, and World Bank (2018), Myanmar Living Conditions Survey 2017 Key Indicators Report.

⁴ World Bank staff calculations using World Development Indicators, based on household surveys 2010–2015.



has reoriented the social contract and strengthened the Government's stewardship in providing the people with wider access to basic services.

5. **Despite noteworthy progress, the country's political and economic situation remains fragile.** On the economic front, deeper second-generation reforms have proven harder to deliver though efforts to sustain momentum are evident, as demonstrated by recent moves to liberalize the insurance sector, allow foreign banks to lend directly to local business, and establish a more prioritized public investment program (Project Bank). Structural weaknesses affect public institutions' ability to advance the reform agenda. Around one-third of townships are affected by conflict. A series of bilateral ceasefire agreements with ethnic armed organizations (EAOs) since 2011 was followed by the signing of a Nationwide Ceasefire Agreement (NCA) in late 2015 by 8 of the 20 main EAOs, with two more groups signing in early 2018. More recently, there has been a slowdown in the momentum of the nationwide peace process. Among those which have yet to sign the NCA include a few large armed groups. In a few areas of the country, conflict between different EAOs has risen resulting in more displacement of people.

6. **Rakhine State has seen particularly high levels of violence.** Military responses to attacks by the Arakan Rohingya Salvation Army from August 2017 led to forced displacement of self-identified Rohingya⁵ into Bangladesh (estimated at more than 730,000 people, mostly from Buthidaung, Maungdaw, and Rathedaung townships⁶). The violence followed previous rounds of conflict that had forcibly displaced many within and outside of Rakhine.⁷ Such violence has accentuated communal tensions and nationalist sentiment, deepening social fractures. Rakhine State suffers from a pernicious mix of underdevelopment, intercommunal conflict, and lingering grievances toward the Central Government.⁸ Rakhine also experiences a security crisis, in which all communities harbor deep-seated fear of the others, because of past violence and segregation. In January 2018, the insurgent Buddhist group, the Arakan Army, attacked police and military posts in northern Rakhine and fighting has continued since then.

B. Sectoral and Institutional Context

7. **Myanmar, as one of the poorest countries in East Asia, faces significant challenges regarding disparities, social inclusion, and conflict.** Despite the country's overall strong economic performance and some success in reducing poverty, as of 2015, 15.8 million people in the country remained poor and an additional 6 million were barely above the poverty threshold. The majority of people in Myanmar, and significantly the majority of the poor, are found in rural areas, where poverty affects 38.8 percent of the population, compared to 14.5 percent of urban inhabitants. They are particularly vulnerable to shocks, such as natural disasters. The agriculture sector continues to be key for making progress in rural Myanmar,

⁵ In line with the Report of the Advisory Commission on Rakhine State (2017), the remainder of the document will refer to those who self-identify as Rohingya as 'Muslims' or 'the Muslim community in Rakhine'. This does not include the Kaman Muslims in Rakhine or other Muslims in the country.

⁶ Inter Sector Coordination Group. 2018. *Situation Report Rohingya Refugee Crisis*. https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/iscg_situation_report_27_sept_2018.pdf.

⁷ There were already approximately 120,000 people in camps for internally displaced persons (IDPs) from prior episodes of intercommunal conflict (especially from violence in 2012 and 2016).

⁸ Advisory Commission on Rakhine State. 2017. *Towards a Peaceful, Fair, and Prosperous Future for the People of Rakhine* (final report).



as it accounts for about 70 percent of jobs in rural areas and among poor households. Recent analysis conducted in the context of the ongoing Myanmar Systematic Country Diagnostic (SCD) 2019⁹ shows that agriculture has contributed to about 46 percent of the reduction in poverty over the last decade. Income from nonfarm activities and migration opportunities have further helped boost the incomes of many households previously considered poor. Poverty is more frequent, deeper, and more severe in the hilly, mountainous, and coastal parts of Myanmar. However, the majority of the poor live in the more population-dense delta and central dry zones—home to 65 percent of the poor in Myanmar. Food poverty, affecting 9.8 percent of the population in 2015, is substantial, especially in the hilly and coastal areas (respectively, 16 percent and 19 percent).

8. People throughout Myanmar, and particularly the poor, suffer from difficulties in accessing some basic services and infrastructure. These include clean water, education services, health services, and electricity, resulting in lower human capital assets among the lower population quintiles. Disadvantages in accessing markets and services also correlate with a person's ethnicity, religion, citizenship status, and location. Several of the non-*Bamar* ethnic organizations¹⁰ in the country, seeking to preserve their languages and cultures while retaining control over political and economic life in their area, are armed and/or actively opposed to the Central Government, which makes delivery of public services a challenge. Gender equality indicators have slowly improved in recent years, but social norms, to a large extent, continue to influence services and roles available to men and women in Myanmar. This significantly affects, among other things, access to the labor market. Female labor force participation in 2017 was estimated at 55 percent of women over age 15 (MLCS). When women are active in wage labor or employment outside of the home, the gender wage gap is significant. Women's wages for agricultural day labor are about 25–50 percent lower than men's, according to estimates and reports from various nongovernmental organizations (NGO)s and agencies.

9. Human development and health conditions remain low, despite some progress, imposing a drag on productivity. A child born today in Myanmar can expect to be only 47 percent as productive as she could be if she enjoyed full health and education (Human Capital Index [HCI]).¹¹ Table 1 shows the key indicators for Myanmar between 2000 and 2015. The country achieved the Millennium Development Goals (MDGs) targets related to tuberculosis, malaria, and HIV/AIDS, but not the targets on maternal and childhood health. Myanmar's childhood mortality rates compare unfavorably with its peers in the Southeast Asia Region; for example, Myanmar's under-five mortality rate of 50 is almost double the Association of Southeast Asian Nations (ASEAN) average of 26 per 1,000 live births.¹² The case is similar with the infant mortality rate (40 per 1,000 live births in Myanmar as opposed to 20 in ASEAN). Myanmar's Human Development Index is 0.556, which is also well below the average for East Asia and the Pacific (0.720), ranking it 145 out of 188 countries.

⁹ World Bank, 2019 (forthcoming). Myanmar Systematic Country Diagnostic.

¹⁰ Myanmar is thought to be one of the most ethnically diverse countries in the region. The precise breakdown of ethnic groups is contested. The Government officially recognizes 135 distinct ethnic groups, which are referred to in the constitution as 'national races'. The country has over 100 living languages. The majority *Bamar* population are widely held to comprise about 62 percent of the national population, with roughly 38 percent constituting other ethnic groups.

¹¹ The HCI measures the amount of human capital that a child born today can expect to attain by age 18. It conveys the productivity of the next generation of workers compared to a benchmark of complete education and full health. It is constructed for 157 countries.

¹² ASEAN Statistical Report of Millennium Development Goals, 2017.



Table 1. Selected Human Development Indicators

Indicator	2000	Latest available	Data S Source
Life expectancy at birth (years)	62.13	66.4	Myanmar Census 2014
Infant mortality rate per 1000 live births	84	40	DHS 2015–2016
Under-five mortality rate per 1000 live births	103	50	DHS 2015–2016
Maternal mortality ratio per 100,000 live births	520	227	DHS 2015–2016

Note: DHS = Demographic and Health Survey.

10. **Undernutrition among women and children remains a priority problem for Myanmar, and there are significant subnational variations.** Table 2 presents key indicators of maternal and child under nutrition for Myanmar over the past two decades. Though the data are not strictly comparable over time, due to differences in methodology between the various surveys, the table shows that despite significant progress over the past decades, childhood and maternal undernutrition continue to constitute a serious public health and development concern. Nutritional deprivations at a young age, especially during the first 1,000 days of life, are manifested usually as stunting (low height for age), in addition to their immediate impact on the individual’s health. These cause detrimental effects on cognitive development, and on future productivity, learning, and earning potential, and therefore can negatively impact the overall human capital of the country. Undernutrition early in life may also predispose the individual to being overweight and to suffering from noncommunicable diseases such as diabetes and heart disease later in life.¹³ As in all countries, national averages mask disparities across geographical areas. Overall, the nutritional levels in rural areas are significantly poorer than in urban areas, as are levels in regions/ states (R/S) affected by the conflict. According to the recent Myanmar Micronutrient and Food Consumption Survey (MMFCS) disseminated in 2019, under-five stunting rates vary from 40.3 percent of under-five children in Chin State to about 16.4 percent in Mon State. The R/S with the highest rates of stunting prevalence are Chin, Ayeyarwady, Rakhine, Kayin, Shan, and Kayah—all of them with rates over 35 percent.

Table 2. Some Key Nutrition Indicators among Children and Women of Myanmar, 2000–2016

Indicators	Myanmar Values			
	2000 ^a	2010 ^b	2015 ^c	2019 ^d
Under-five stunting, (% children 0–59 months)	33.9	35.1	29.2	26.7
Under-five wasting, (% children 0–59 months)	9.4	7.9	7.0	6.7
Under-five under-weight (% children 6–59 months)	22.6	22.6	18.9	19.1
Anemia (% children 6–59 months)			58	35.6
Thinness, (BMI<18.5 kg/m ²) among women of reproductive age (% women 15–49 years)				14.3
Anemia, (% women 15–49 years)			47	30.3
Exclusive breastfeeding (%)	15.8		51	
Dietary diversity ^e			25	49.3

Note: a. Ministry of Health and Sports (MOHS) and United Nations Children’s Fund (UNICEF): Multiple Indicator Cluster Survey (2000); b. Multiple Indicator Cluster Survey 2010; c. DHS (2015–2016); d. MMFCS, 2019; e. For 2015, it is the percentage of children (6–23 months) who were fed a diet from at least 4 of the 7 diverse food groups; for 2019, the figure is a proportion of households consuming a diet that includes items from at least six food groups.

11. **Poverty and consequent household food insecurity are important drivers of malnutrition in Myanmar.** The R/S that have the highest rates of stunting are also the R/S with the highest level of

¹³ <https://www.who.int/nutrition/double-burden-malnutrition/en/>



poverty. According to the DHS (2015–2016), stunting rates are highest among the poorest populations; the rate in the lowest wealth quintile (38 percent) is more than double the rate in the richest quintile. Similarly, the recent MMFCS (2019) shows that 36.1 percent of under-five children in ‘severely food insecure’ households are stunted, as compared to 24.4 percent of children in ‘food secure’ households.

12. **Investing in improved education and behavioral changes would be critical in Myanmar.** The presence of significant stunting rates even among children of the highest wealth quintile (16 percent), and among food secure households (24.4 percent) points to the fact that poverty and food insecurity alone do not fully explain undernutrition in Myanmar. Maternal factors, such as level of education, age at pregnancy, access to maternal care, and eating behaviors during pregnancy are also determinants of stunting. A mothers’ level of education, for example, is negatively correlated with stunting in Myanmar, where data show that about 39 percent of stunted children’s mothers received no education (DHS 2015). Access to adequate care in pregnancy, delivery, and postnatal period is low in Myanmar. Only 59 percent of women make four or more antenatal care (ANC) visits, and 60 percent of deliveries were assisted by a skilled birth attendant. Institutional deliveries are even less common at 37 percent. Suboptimal infant and young child feeding (IYCF) practices also constitute a major constraint to good nutrition. Only 51 percent of infants ages 0–6 months are exclusively breastfed, and 16 percent of children ages 6–23 months consume a minimum acceptable diet (a composite indicator that takes into account dietary diversity and feeding frequency), with only 25 percent consuming diets of minimum diversity (that is, from four or more food groups).¹⁴ In summary, in addition to poverty and food insecurity, behavioral factors, such as eating, feeding, and caring practices are important drivers of malnutrition.¹⁵

13. **Deprivation exists along geographic lines.** Some areas in the country are disadvantaged across many dimensions and in several cases are even falling further behind, pointing to social exclusion along geographic lines. The Multidimensional Disadvantage Index (MDI), an index based on Census 2014 data that looks at deprivation across several domains (that is health, education, water supply, sanitation and hygiene, labor, housing, and assets), provides insights into welfare at the subnational level (see figure 1).¹⁶ The most striking levels of multidimensional deprivation are seen in Rakhine, followed by Ayeyarwady and Kayin, with those in Shan and Chin following closely thereafter. Overall, the people of Ayeyarwady and Shan (the main areas of focus for the expansion of the cash transfer program) appear to be severely disadvantaged in many socioeconomic and nutrition dimensions. There are also significant differences across townships within each R/S.

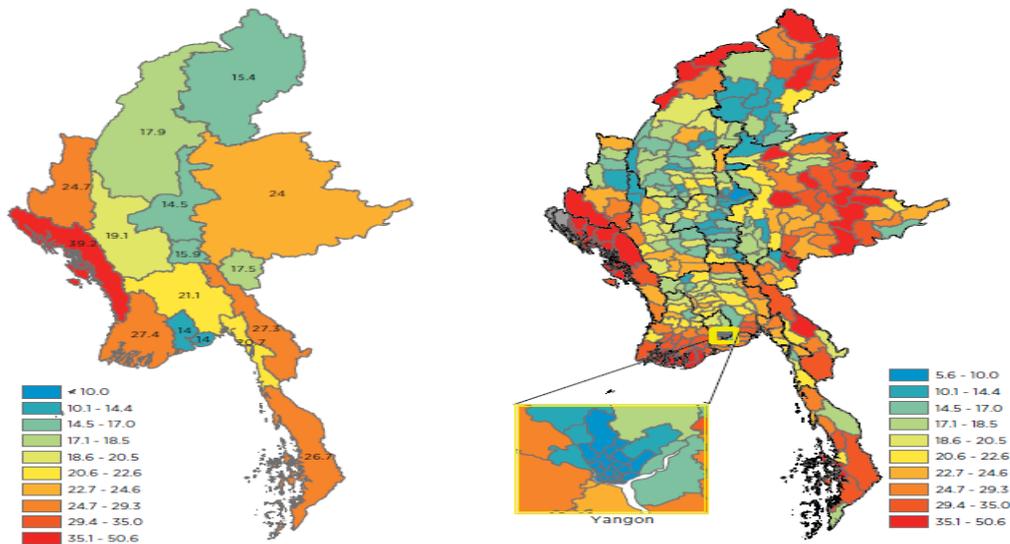
¹⁴ Though the more recent MMFCS shows 49.3 percent of households consuming a more diverse diet, this measurement is not comparable to the DHS measure of diet diversity among under-two children, as household diet diversity does not necessarily translate into diet diversity for each individual member; this is particularly true for under-two children.

¹⁵ This is fully aligned with the Conceptual Framework of the Causes of Malnutrition, UNICEF, 1990.

¹⁶ Ministry of Labor, Immigration and Population (MOLIP) and World Bank, Multidimensional Welfare in Myanmar, December 2018.



Figure 1. MDI by State and Region and by Township



Source: MOLIP and World Bank, 2018.

Note: The mapping colors are based on R/S and township-level MDI deciles.

14. **Until recently, Myanmar has had a very underdeveloped SP system.** This is critical because SP could play a key role in reducing poverty and inequality and fostering human capital. In Myanmar, overall spending and coverage of SP programs, particularly for a social safety net (SSN), remain very limited. Spending on SSNs in Myanmar is significantly lower than in other countries, being only 0.3 percent of GDP in 2015 compared to the East Asia and Pacific regional average of about 1 percent of GDP, the higher shares in neighbors such as Cambodia (0.9 percent) and Vietnam (about 1 percent), and a global average of about 1.5 percent of GDP.¹⁷

15. **Recognizing the necessity to invest in protecting the poor and the most at-risk population and the need to enhance human capital for the country's future productivity, in recent years, the GoM has made major commitments to expanding its SP system.** Despite the GoM rationalizing the national development policy priorities in recent years, SP has remained a Central Government strategic priority, as highlighted in the Myanmar Sustainable Development Plan (MSDP) 2018–2030. A National Social Protection Strategic Plan (NSPSP) developed in 2014 and an associated 2018–2022 Medium-Term Sector Plan set out a strategic approach to realizing policy objectives over time in a sequenced, coordinated, and sustainable fashion. The plan envisages a progressive expansion of eight flagship social assistance programs that cover risks along the life cycle (see figure 2) and of a program called the 'Integrated Social Protection System' which promotes integration of SP services. A cadre of social workers trained in case management, along with staff at the newly opened SP centers at the township level, will provide integration of SP services. By 2017/18, there were 302 SP centers in 37 townships; by 2018/19, this number increased to 524 centers (with 130 case managers). This is expected to expand to 985 centers (with 170 case managers) by 2020/21. The NSPSP prioritizes the most geographically excluded and poorest R/S and will reach out to excluded religious and ethnic minorities, including utilizing increased cooperation with EAOs in nongovernment-controlled areas. To deliver on the NSPSP vision and to achieve

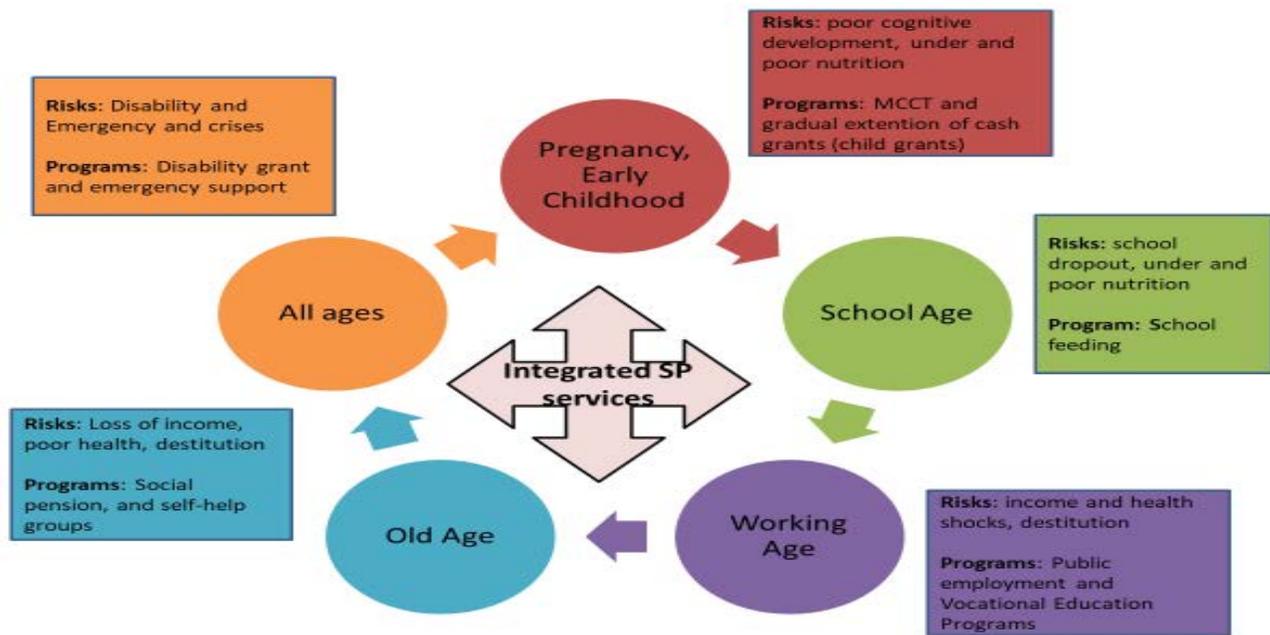
¹⁷ The State of Social Safety Nets, 2018, World Bank Publication, 2018.



Goal 4.3 of the MSDP on expanding and adapting a systems-based SP system, the Government is committed to a number of initiatives—laying the institutional foundations of the SP system, building delivery systems, using innovation and technology, and expanding the reach of the system to the township and community levels. To guide this process, in early 2018, a multisectoral National Social Protection Steering Committee was set up to provide leadership and guidance on the implementation of the NSPSP.

16. **The largest and fastest expanding SP program has been the Maternal and Child Cash Transfer (MCCT) program.** This reflects the recognition that investment in the early years must be a priority. The MCCT is designed to empower pregnant and lactating women with additional purchasing power (MMK 15,000 per month) to meet their unmet needs during the first 1,000 days of life. It focuses on complementary knowledge-sharing through communication and behavioral changes. Priority has been given to geographic areas where women are particularly lagging behind in terms of nutritional status. Participating women receive monthly awareness-raising sessions on a range of topics, such as health, water, sanitation and hygiene, dietary intake, breastfeeding, and complementary feeding. These integrated components enable pregnant/lactating women to improve their dietary intake and diversity, ensure better feeding practices for young children, and increase affordability of basic health care during pregnancy and birth, particularly for children in their first two years. The Government began to implement the MCCT program in Chin State in 2017,¹⁸ and the program is now operated in five R/S with a total of approximately 206,600 beneficiaries. It is expected to expand to Shan State and the Ayeyarwady region next year with the support of this project and cover over 230,000 beneficiaries in those areas.

Figure 2. Myanmar SP Programs across the Life Cycle



¹⁸ The MCCT program has been already implemented, on a limited scale, in Rakhine, Dry Zone and Delta region by Save the Children, and then, scaled up by the Government over the past years. The learning from pilot programs informed the design and operationalization of the Chin MCCT program and progressively other R/S in which the MCCT programs are being scaled up.



17. **Evidence on the implementation of the MCCT program in Myanmar suggests impressive improvements were made in program outcomes at midline.** These improvements included reported dietary diversity and IYCF knowledge and behavioral changes.¹⁹ The midline survey that Innovation for Poverty Action conducted of the Livelihoods and Food Security Trust (LIFT)-financed pilot MCCT shows encouraging results. The design of the pilot was conducted in such a way that comparisons could be made between two types of treatments: cash only, or a combination of cash and intensive social behavioral change communication (SBCC). The data shows that nearly all women in both treatment groups were able to control decisions on the use of the cash transfer. The main use of cash was for food-related purchases and to cover health costs.²⁰ IYCF knowledge indicators showed significant effects, especially when cash transfers were combined with intensive SBCC. Newborn care indicators demonstrated an increase in the proportion of mothers making at least one visit with skilled health personnel. The proportion of children receiving a minimum acceptable diet increased by over 30 percentage points when the combined package of cash and intensive SBCC was provided, increasing from 9.9 percent of children to 41.7 percent.

18. **Myanmar's high-level political commitment to addressing malnutrition through intersectoral action is encouraging and drives multisectoral interventions in support of nutrition.** The State Counsellor has instructed the MOHS to lead intersectoral coordination, with close involvement by the Ministry of Social Welfare, Resettlement, and Relief (MOSWRR), the Ministry of Education (MOE), and the Ministry of Agriculture, Livestock, and Irrigation (MOALI). The Development Assistance Coordination Unit, chaired by the State Counsellor, has directed these ministries to establish a Nutrition Sector Coordination Group (NSCG) to institutionalize the process of multisectoral coordination.²¹ The Multisectoral National Plan of Action on Nutrition (MS-NPAN) for 2018–2022 is an evidence-based, costed, and prioritized plan which addresses high levels of malnutrition in women, children, and adolescents in Myanmar and commits to establishing systems and capacity necessary to accelerate progress. The plan, which was completed through a broad-based consultative process in 2018 and led by the National Nutrition Center (NNC), defines key results and outcomes for each sector ministry.²²

19. **As part of the MS-NPAN process, the MOSWRR has committed to supporting nutritionally vulnerable population groups with social assistance and nutrition promotion, in particular scaling up the MCCT program to priority R/S.** To ensure that the implementation is technically and financially sustainable, the MCCT program is being progressively rolled out across vulnerable R/S, starting with Chin and Rakhine (which have the highest level of stunting and MDI). In most cases, the General Administration Department (GAD) has been responsible for registration and cash distribution to beneficiaries. Pilot programs using digital transfers have also been implemented, and the expectation is to rapidly move to the use of digital payments. However, to date, in this program, the cash transfer has not systematically been accompanied by behavioral change communication.

20. **The MOSWRR is committed to being inclusive in SP programs and to progressively improving their effectiveness.** In the prioritization of areas for scaling up of the MCCT, the R/S most in need and at

¹⁹ Evaluation conducted by Innovation for Poverty Action in 2017. <https://www.theigc.org/wp-content/uploads/2018/06/Save-the-Children-MCCT-Swe-Linn-Maung.pdf>

²⁰ <https://resourcecentre.savethechildren.net/library/legacy-maternal-and-child-cash-transfer-mcct-program-learning-brief>; https://resourcecentre.savethechildren.net/node/13924/pdf/ipa_midline_report_legacy.pdf

²¹ The first meeting of the NSCG was held in December 2018.

²² Extensive and complementary technical, financial, and operational support from the World Bank Group, United Nations agencies and the Three Millennium Development Goal (3MDG) Fund and Scaling Up Nutrition (SUN) Network Partners contributed to the plan's development.



greater risk of exclusion have been selected. The MOSWRR is making significant efforts to reach all the eligible communities and has adapted the program to local realities. For example, in Chin, where remoteness is a constraining factor, payments happen less frequently but are delivered in larger sums. In Kayin where some communities live in nongovernment-controlled areas, payments are delivered to beneficiaries with facilitation and support from an Ethnic Health Organization (EHO) called Karen Department for Health and Welfare, which has full access to and trust from these communities. In Kayah, the MOSWRR has also initiated dialogue with the EAOs in an attempt to ensure that eligible beneficiaries in nongovernment-controlled areas can be reached by the program. Despite these efforts, tools and resources to monitor both the impact and the inclusiveness of the program remain limited. To address this problem, the ministry has committed to increasing its local presence, creating inclusive social protection committees (SPCs) at the village level, and reducing the role of GAD in program delivery. The ministry is planning to use various tools being developed to ensure timely identification of exclusion issues and response protocols. The use of SPCs and village social welfare volunteers in community awareness sessions will also be critical to foster a culture of inclusion. Development partners (DPs) are working as part of the SP technical working group to support these efforts.

21. **However, the capacity of the MOSWRR at all levels to implement social assistance programs remains limited to date.** Human and financial capacity constrain the MOSWRR's ability to effectively provide services to the poor and to those most in need. The number of Department of Social Welfare (DSW) staff at the central/region/state and township levels is very limited. Despite having an approved new contingency plan for recruiting additional personnel, the process of getting personnel in place is taking time, and the ministry to date has no presence in a significant number of townships. In parallel with implementing an increase of personnel at all levels, the ministry is planning to invest in building and equipping new offices to accommodate additional personnel. Increasing the local presence of ministry personnel at township levels will be crucial to ensure effective implementation of key social assistance programs.

22. **Implementation of the main cash transfer programs in Myanmar has shown a need for the ministry to invest in building effective service-delivery platforms.** The capacity at the township level to deliver programs varies significantly and, overall, there is only limited capacity to develop instruments that can support the implementation of the program. These include a multimodule management information system (MIS), grievance procedures, and an overall monitoring and evaluation (M&E) system. The programs to effect gradual expansion have allowed for some finetuning of existing systems and for further development of workable tools. For example, over time, beneficiary and payment recording tools have been improved. Because the timeliness and accuracy of payments to beneficiaries has been a major cause of concern, there has been a strong push to expand digital payments for all ministry cash transfer programs. The ministry has also made a priority of investing in the development of a community platform for supporting implementation of social assistance programs through village SPCs and also of setting up a network of trained social welfare volunteers at the village level.

23. **Ethnic conflicts in various parts of the country have been a problem in Myanmar for decades.** The Government has been making significant efforts to achieve peace in those areas with some success. Nevertheless, the EAOs still control sizeable parts of the country, and ongoing conflict in those areas has an impact on various aspects of life in affected communities, including access to health, food security, and nutrition. The EAOs, such as in Kachin, Kayin, Kayah, and Mon, operate their own health departments or community-based organizations affiliated with the EAOs provide health services in their controlled areas. Among the six R/S with the highest stunting rates, five have had pockets of conflict (Chin, Kayah, Rakhine,



Shan, and Kachin), with varying degrees of intensity and frequency. As a general proposition, evidence from around the world shows that armed conflict adversely affects the availability of food and access to basic services. The security situation in those areas severely constrains the ability of social assistance workers to reach the population, monitor interventions, and assess their impact.

24. **The ethnic conflict is particularly complex in Shan State, one of the primary target areas for the proposed expansion of the MCCT program.** Between 2010 and 2018, there were at least 2,305 conflict fatalities in Shan State, considerably higher than for any other state or region.²³ A wide range of actors are involved in these conflicts. There are at least 10 EAOs active in the state²⁴ as well as hundreds of militia groups and border guard forces. Some of these groups, such as the Restoration Council of Shan State (RCSS) and the Pa-Oh National Liberation Organization (PNLO), are signatories to the NCA but most are not. In addition to ongoing clashes between armed groups and the military, there have been recent clashes between the RCSS and two non-signatories, the Ta'ang National Liberation Army (TNLA) and the Shan State Progressive Party (SSPP), as well as between the RCSS and another NCA signatory, the PNLO.

25. **Governance and service delivery in Shan State are affected by a wide range of different conflict contexts across the state.** This has implications for project implementation in those areas. First, in a number of townships, violent conflict continues, particularly in Muse, Hsipaw, Kutkai, Kyaukme, and Mongkaing. Second, many villages in these and other townships are de facto controlled by the EAOs, with the Government having little to no access, and services are provided by those EAOs or related civil society organizations (CSOs). There are also five special administrative zones in Shan State where ethnic groups play a larger role in governing local affairs. In one of these (Wa), the state has little access to the area. Finally, for a subset of the population, there are roughly 75 temporary shelters for IDPs²⁵ across five townships in northern Shan State (Namtu, Hsipaw, Lashio, Kyaukme, and Kutkai). These shelters are usually at the monasteries, churches, town halls, and homes of the host communities, and situated within the town proper and in close proximity to markets and public services. IDPs in Shan North have no restrictions on their movement. Given that the fighting is episodic and short lasting in Shan North, the IDPs seek shelter in the nearby towns when there is active fighting in their villages or nearby, and usually leave the shelters as soon as the fighting stops to resume agriculture and plantation work in their villages.

26. **Social exclusion, reflected in differential outcomes concerning nutrition and related indicators, occurs for segments of the population in Myanmar.** Compared to the national average, individuals whose primary language is not Myanmar and those with no citizenship cards tend to more likely be excluded in many dimensions, including those related to obtaining proper nutrition and having access to social services—they are almost twice as likely to have no access to sanitation and to live in poverty. Similarly, there is evidence that non-Buddhists and non-Christians have lower nutritional status. For instance, in 2010, 49 percent of their children under-five were underweight, compared to an underweight rate of about 30 percent for Buddhist and Christian children (IHLCA 2009/2010). Although stunting rates for girls under-five appear slightly lower than for their male peers, gender outcomes in the country tend to be highly unequal, with women at risk of exclusion across several dimensions. This includes not only education, participation in labor markets, and access to land, but also in having a voice in making decisions within a household. According to DHS 2015–2016, only two-thirds of married women ages 15–49

²³ Data from Armed Conflict Location and Event Data Project.

²⁴ Major EAOs include the RCSS, TNLA, SSPP, PNLO, and the United Wa State Army.

²⁵ Reference to 13th National Health Cluster Meeting update, February 27, 2019.



participate in all three key types of decisions in the household (health, asset purchases, and visits to relatives).

27. **Myanmar's very high exposure to a multitude of natural disasters is the main threat to sustaining economic growth and poverty reduction.** Myanmar ranks third among 182 countries in the 2018 Global Risk Index, and ninth in the Index of Risk Management. Over the past 25 years, Myanmar has suffered 24 disaster events affecting more than 4 million people and causing US\$4.7 billion in damages. They cost the country more than US\$184 million annually (equivalent to 0.9 percent of GDP) in traditional damage loss estimates alone (which do not take into account household livelihood losses and well-being losses). Myanmar is exposed to multiple hazards and severe weather events. In the past decade, Myanmar has experienced two major earthquakes, three severe cyclones, countless floods, and other smaller-scale hazards, indicating that the likelihood is high for a medium- to large-scale disaster to occur every few years.²⁶ In particular, the Ayeyarwady region is one of the most vulnerable to natural disaster, with constant flooding during the rainy season. Some of the poorest R/S in Myanmar are also the most shock-prone, compromising poverty reduction efforts. Accordingly, the Ayeyarwady region will be the second priority area for expansion of the MCCT program under this project.

28. **Climate change poses an additional threat to food and nutrition security, particularly for children.** Myanmar is highly vulnerable to natural disasters, including floods, cyclones, and landslides, and these risks will be exacerbated by climate change. Climate change could increase the numbers of the population at risk of malnutrition, particularly pregnant women, mothers, and children, in a variety of ways, such as more frequent crop failures, diarrheal episodes due to unsanitary environments and contaminated water sources during floods, and inappropriate infant weaning in households facing climate-induced risks to their livelihood. Because of these threats, a Climate and Disaster Risk Screening was conducted during project planning. Extreme weather events such as Cyclone Nargis had a devastating impact on the country's economy and on people's livelihoods. It caused direct damages of US\$4 billion, affecting 2.4 million people and causing over 140,000 fatalities. There was widespread flooding across the country in 2018, and the floods of 2015 caused direct damages of US\$119 million and production losses of about 1.7 percent of GDP. Annual expected economic losses attributable to climate change are estimated to be at 0.9 percent of GDP (World Bank/Global Facility for Disaster Reduction and Recovery 2012). Limited capacity and poor community preparedness are serious challenges; Myanmar ranks 165 among 181 countries on the climate change vulnerability readiness—ND GAIN Index (2016).²⁷ Coastal communities are at a particularly high risk for disaster and climate extremes. Ayeyarwady region has a long coastal line on the Bay of Bengal and Andaman Sea and is particularly vulnerable to strong winds and cyclones. The variability and uncertainty of the impact of future climate change poses a large challenge for long-term planning and will negatively impact systems that rely on consistency, such as rain-fed agriculture, and thus will have a direct impact on food security and nutrition.

C. Relevance to Higher Level Objectives

29. **The proposed project is in line with the Country Partnership Framework (CPF),²⁸ whose objectives include investing in people and effective institutions.** Ending extreme poverty and promoting

²⁶ Relief webpage, May 31, 2016. <https://reliefweb.int/map/myanmar/myanmar-natural-disaster-risks-and-past-events-31-may-2016>

²⁷ <https://gain.nd.edu/our-work/country-index/rankings/>

²⁸ Myanmar CPF for the period 2015–2019: Empowering People for Inclusive Growth (Report No. 95998) discussed by the Board on April 23, 2015.



shared prosperity cannot be realized without investments in early life to ensure good nutrition and promote human development. Early life nutrition sets the trajectory for an individual's growth, cognition, and long-term health. Because malnutrition can be passed from mother to child, investments in nutrition among pregnant women and adolescent girls are also necessary to ensure the health and wellbeing of the next generation. The project is consistent with the focus areas stated in the 2015–2019 Myanmar CPF, which focuses on promoting growth in rural areas; investing in basic social services to provide better nutrition, health, and education services; and building infrastructure, with conflict resolution as a cross-cutting theme. The project supports the current CPF in two main focus areas. First, it contributes to engagement in the focus area of “reducing rural poverty,” including in particular, providing attention to reducing vulnerabilities to shocks. Second, the project contributes to the focus area of “investing in people and effective institutions for people,” by supporting the objective to “increase coverage of essential services of adequate quality and with a focus on maternal, newborn and child health,” and by strengthening the capacity of the MOSWRR to deliver SP programs. The evolving environment and strategic priorities of the GoM have resulted in an increased commitment to developing SP systems and addressing poverty and disadvantage by making investments in human capital and addressing multiple problems of inequalities among people. The new CPF, based on the inputs from the ongoing SCD, is expected to continue and strengthen the focus of the previous CPF on reducing spatial disparities in service delivery and welfare outcomes.

30. The proposed project is well-aligned with the World Bank's adjusted strategy in Myanmar to stay engaged and provide a greater focus on social inclusion and delivery of services in conflict areas. Since independence, large swathes of Myanmar have been affected by subnational conflict. In many of these areas, the EAOs are active, including providing their own services and governance. Ceasefires have reduced levels of violence, but conflict continues in many townships, which has led to a lack of trust and has set back development. On average, conflict-affected townships are poorer than those in other parts of the country. Supporting the welfare of the poorest people requires working in inclusive ways in such places. Since the August 2017 crisis in Rakhine State, the World Bank has adjusted its country strategy, staying engaged to support Myanmar's historic transition, but providing a greater focus on social inclusion and working in conflict areas, including in Rakhine State. In agreement with the Government, the World Bank has increased funding in conflict-affected areas, ensured that nationwide projects have a specific emphasis on conflict, and made sure that all operations emphasize social inclusion. The World Bank has developed a series of inclusion-focused analysis to inform decision making, including an MDI to allow for more accurate targeting of deprived areas and also a social inclusion portfolio review. An Inclusion and Peace Lens (IPL) (see box 1 and annex 2) is being used to ensure that in all new operations there is a focus on inclusion and conflict sensitivity, and that a series of training sessions are conducted for the Myanmar country team on inclusion, conflict, and human rights. Operational adjustments have included a redesign of the pipeline to address the Rakhine crisis and other conflict issues in the country. By working in a zone of ongoing conflict (Shan State), and by including special mechanisms that aim to ensure the participation of all groups, including the conflict-affected, the project will specifically contribute to this new strategy.



Box 1. Inclusion and Peace Lens

Given the increased focus of the World Bank program in Myanmar on inclusion, particularly in conflict-affected areas, the World Bank introduced an IPL. The objective of the IPL is to provide tailored support to help project preparation teams identify opportunities and risks relating to social inclusion and peace in Myanmar and to incorporate appropriate actions in response in operations and knowledge products.

The IPL tool was applied to this operation during project preparation, helping the project preparation team in identifying potential exclusion risks at registration, enrollment, cash distribution, and mitigation measures. It also helped the project preparation team in identifying implementation modalities at the local level for delivery, monitoring, and oversight of project activities in the complex setting in Shan State, where the project implementation arrangements will have to be adaptive and be mindful of the need to sufficiently take into account the individual contexts (conflict, nongovernment-controlled, self-administered, and IDPs' shelters). The main findings from applying the IPL instruments are summarized in annex 2.

31. **In addition, the proposed project will be aligned with the Human Capital Project (HCP) to contribute to building human capital in Myanmar.** The World Bank Group is committed to helping countries prioritize human capital development in a sustained way, given the deepening recognition that a healthier and better skilled workforce is a key to progress in countries at all income levels. As the engines of economic growth shift away from traditional patterns that have relied heavily on low-skilled labor and capital accumulation and toward more skilled occupations and productivity-driven growth, human capital is an increasingly important factor in enabling economic transformation. The HCP has developed a new international metric, the HCI, that does not just focus on time spent in school but also takes into account quality-adjusted years of learning and that also includes indicators such as child stunting, which can reflect future learning and earning ability. Global evidence shows that well-designed and effectively implemented cash transfer programs lead to an increase in the demand for health and social services in poor and rural communities and can ultimately contribute to a reduction in stunting.

32. **The World Bank Group's commitment to supporting the GoM in taking a focused, evidence-based approach to stunting and poverty reduction is reflected in this proposed IDA-financed operation.** The operation builds on the World Bank Group's technical assistance (TA) to the NNC and to the four key line ministries (the MOHS, MOALI, MOSWRR, and the MOE) to develop and operationalize the MS-NPAN. It complements IDA operations that support the MOHS' efforts to improve health service delivery and implementation of the National Health Plan and the MOE's efforts to strengthen female education—all of which will contribute to reducing malnutrition. The proposed project will finance the scaling-up of the MCCT program, combining the provision of cash to households in the first 1,000 days of life together with community outreach and social support sessions (COSS) targeted at the beneficiaries of the cash and their families and communities. It will also strengthen the overall SP system and its ability to provide interventions for poverty reduction.

33. **Myanmar's specific gender challenges will be addressed in the proposed operation.** Specifically, it will support the World Bank's Gender Equality Strategy (2016–2023), the East Asia and Pacific Regional Gender Action Plan FY2018-23, as well as the Myanmar Country Gender Action Plan (CGAP) 2019–2020 to promote gender equality in Myanmar through ways that are actionable, measurable, and responsive to Myanmar's specific gender challenges. This project addresses two of the identified actions in the CGAP;



promote equitable access to services, and increase women’s decision-making power and economic empowerment. This project will ensure women have equitable access to health, nutrition and social services, promote confidence, empowerment and decision-making power of women by managing the cash transfer and through direct access to financial institution (see section VI for proposed indicators and targets).

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

34. The proposed Project Development Objective (PDO) is to expand access to the Cash Transfer Program, to improve selected nutrition behaviors in priority target areas, and to enhance the MOSWRR’s capacity to deliver social protection programs.

35. The project uses the following definitions:

- **Cash Transfer Program**—the MCCT program focused on improving nutrition outcomes of the most nutritionally vulnerable categories, namely pregnant and lactating women and children under two years of age
- **Selected nutrition behaviors**—the nutrition behaviors that are expected to be improved by providing a combination of cash transfer and communication behavioral changes in children under two, specifically those resulting in improved diet diversity of children 6–23 months
- **Priority target areas**—the Shan State and Ayeyarwady region as per their level of nutrition and vulnerability in which the MCCT will be scaled up under the project
- **SP programs**—programs in support of the most vulnerable and at risk (see figure 2), implemented by the MOSWRR.

PDO-Level Indicators

36. Key results that will be measured throughout the life of the project include the following²⁹:

- (a) Number of beneficiaries of social safety nets programs³⁰ (disaggregated by gender³¹)
- (b) Share of children between 6–23 months from MCCT beneficiary households consuming foods from four or more recommended food groups³² (percentage)

²⁹ More details in section VI on Results Framework and Monitoring.

³⁰ This is the corporate result indicator for SP. The indicator will be reporting the beneficiaries of the nutrition-sensitive cash transfer program supported through this project, that is, MCCT.

³¹ The MIS will also contain information that will allow reporting disaggregation for this indicator not only by gender, but also by location, religion (where self-reported by beneficiaries), language, educational level, and other basic socioeconomic characteristics collected at the time of program enrollment.

³² In the program MIS, the sex of the children will be reported, allowing for gender-disaggregated specific analysis.



- (c) Share of DSW offices considered functional to deliver social protection³³ (percentage)
- (d) Share of township offices that update the beneficiary registry in the MIS every payment cycle (percentage)

37. **The PDO-level indicators related to improving selected nutrition behavior, namely indicator (b) above, will be reported combining all selected geographic priority areas, although disaggregation by state and region will be possible.** The overall investment in enhancing the capacity to deliver SP programs will be national in scope and will be measured by the increased capacity of MOSWRR to deliver its programs, and by the utilization of key modern SP operational tools, such as the MIS. The MIS will also contain information that will allow reporting disaggregation for indicators related to the MCCT not only by gender, but also by location, religion (where self-reported by beneficiaries), language, educational level, and other basic socio-economic characteristics collected at the time of program enrollment.

38. **Given the resources available for this project and its focus on sustainability beyond project life, it is essential to focus the cash transfer program on ways to maximize its impact in areas with the greatest need and where likely impacts are the greatest.** Ayeyarwady region and Shan State have been selected as priority R/S to scale up the MCCT program under the project, following intensive dialogue between the World Bank Group team and Government officials in the key ministries that have an active role in reducing malnutrition. Selection criteria included nutritional need in terms of stunting prevalence (rates and absolute numbers), determinants of nutritional vulnerability, and the size of the R/S (to maximize the number of beneficiaries). Using these criteria, six R/S were shortlisted: Chin, Rakhine, Ayeyarwady, Shan, Kachin, and Kayah. Among these, because the Government is already operating the MCCT program in Chin, Rakhine, and Kayah, the project will focus on the Ayeyarwady region and Shan State. Among the R/S where Government had not rolled out or concretely planned to roll out the program with own resources, Ayeyarwady and Shan are the R/S with the highest rate of stunting, with Kachin following. Kachin also performs better on indicators related to maternal and child nutrition and healthcare (e.g. vitamin intake, vaccination, handwashing practices, etc.). In addition, Ayeyarwady and Shan also have the largest population size in the country, making it much more impactful to implement the project there. It is estimated that the number of stunted children under five is four times higher in Ayeyarwady and Shan compared to Kachin. While the intention is to reach the entire R/S, initially the project will likely not be able to operate throughout Shan State given the ongoing active conflict in some areas of that state. Apart from areas not accessible due to security concerns, there will also be challenges in reaching areas not under Government control. Continuous dialogue and consultations with the EAOs and cooperation with CSOs, authorities of the self-administered areas, and state governments will be crucial to ensure that the program is as inclusive as possible.

B. Project Components

39. **The project will finance the setup and implementation of a nutrition-sensitive conditional cash transfer (CCT) program in Ayeyarwady Region and Shan State designed to improve nutrition outcomes of pregnant and lactating women and children under two years of age.** The project will also finance activities at the national level to strengthen the SP system and its capacity to better deliver SP programs.

³³ This indicator will be measured by a score card. Improved functioning will be measured by a composite index capturing the number of personnel serving the population, different programs and services provided, office capacity, and so forth, as defined in the OM. The functionality of the office at the central level would have to be above 90 percent on the index, while at the subnational level, 80 percent would be considered acceptable.



More specifically, the project will invest in improving human and physical assets of the MOSWRR at all levels, and in developing well-functioning systems, including ones for MIS, payments, receiving grievances through information and communication technology (ICT), and M&E that will allow the DSW to improve its effectiveness and further inclusiveness of its SP programs across all R/S.

40. **Several dimensions of exclusion will be monitored and assessed through an inclusive and conflict-sensitive design and the use of tools described in the project components section (section III.B).** Tools developed under this project for the MCCT program, such as the MIS, payments, ICT-based monitoring, evaluation, beneficiary engagement, and grievance redress systems would also over time be used by other cash transfer programs of the MOSWRR.³⁴

41. **Although not designed explicitly as a multisectoral nutrition convergence program, this project will complement existing efforts in the health, agriculture, and education sectors and will be supported by relevant World Bank Group operations and knowledge products.** Further details on the project's contribution to the MS-NPAN and complementarity across sectors are discussed under Technical Analysis (Section IV.A).

Component 1: Stimulating demand for good nutrition in the first 1,000 days in selected priority areas (IDA US\$91.28 million, counterpart funding US\$176.91 million)

42. **This component will finance the delivery of cash transfers to pregnant mothers and mothers with children under two, accompanied by COSS to improve nutrition-related behaviors in the first 1,000 days in selected priority areas, specifically Shan and Ayeyarwady.** The MCCT program will enable the consumption of more diverse and nutrient-rich foods (which are often more expensive) and lead to improved uptake of health and nutrition services in the selected areas. The expansion of the MCCT in new geographic areas will be based on global good practices and on lessons learned from the implementation of the MCCT program to date in Myanmar. To enhance the program, a series of implementation innovations will be introduced.

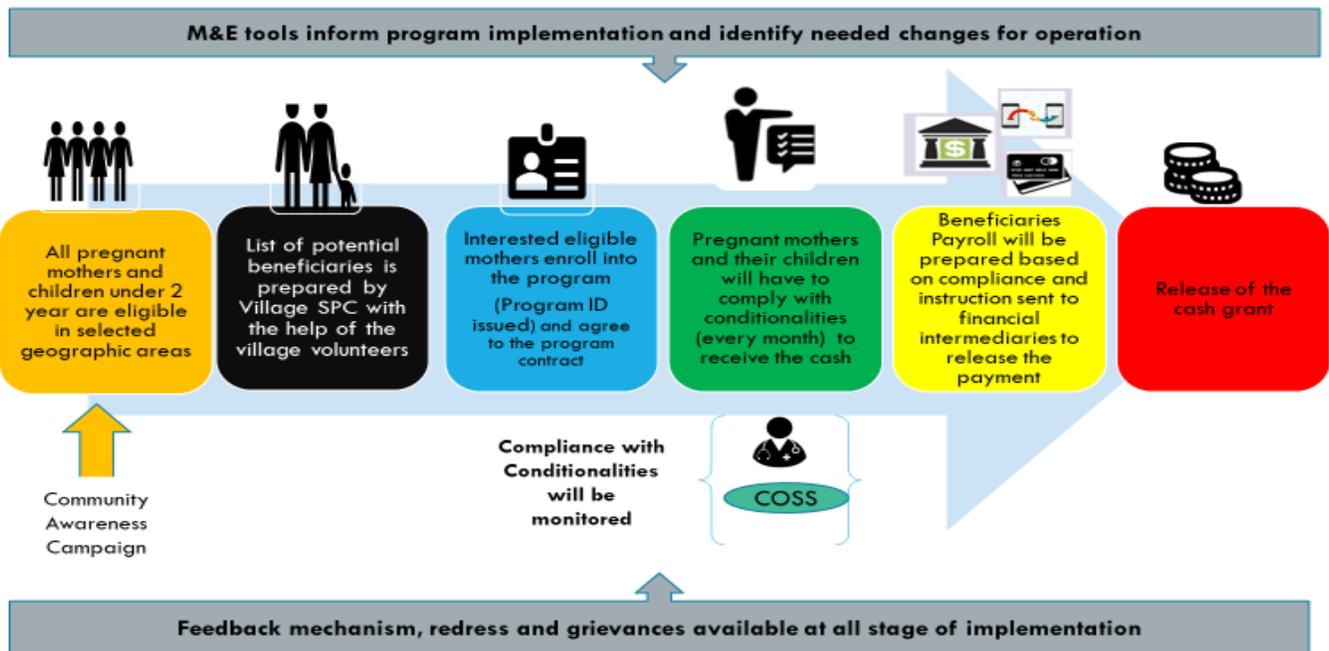
43. **Subcomponent 1.1: Investing in the delivery of the MCCT and COSS in Shan and Ayeyarwady (IDA US\$4.28 million, US\$7.26 million counterpart funding).** This subcomponent will support the implementation of delivery mechanisms to introduce and effectively implement the MCCT program and COSS in Shan and Ayeyarwady. Under this subcomponent, the project will finance activities related to beneficiary identification and enrollment, verification of compliance, feedback and grievance redress, and COSS for families in the selected areas. It will also finance activities at the community and household levels to raise awareness, increase knowledge, and mobilize communities and families to support women in adopting nutrition-promoting behaviors, especially among pregnant and lactating women and women with children under two. More specifically the subcomponent will support in the selected priority areas the operational costs to set up and implement the MCCT program and the COSS (see figure 2.1 on sequencing of activities for the MCCT and COSS implementation).

³⁴ The tools would be used not only by the MCCT in other areas of interventions but also by the country's social pension program.



44. All pregnant women in those areas will be eligible for the MCCT program and new mothers of children under two will be able to enroll throughout the year into the program. The program will rely on mass communication campaigns complemented by locally relevant communications activities in local language to inform the potential beneficiaries about the MCCT program and its enrollment requirements. To enroll, pregnant women will be requested to present, as evidence of their eligibility, their ANC Card issued by either the public- or private-sector provider in their locality.³⁵ The Village Tract Social Protection Committee (V-SPC)—or the equivalent group in areas not under the control of the Government that conducts community meetings—with administrative support from the Voluntary Community Social Workers (VCSW) will organize committee meetings every month in the villages to facilitate identification and enrollment of beneficiaries in the MCCT program. The VCSW will be given a small monetary incentive (top-up of their mobile phones) and recognition from the community for the work provided. The V-SPC will be actively involved in the selection of the VCSW (because they come from the community) and during project, the implementation of the program in ensuring their effectiveness on the ground. The enrollment will be facilitated by use of mobile devices. The DSW township personnel at the township level will provide regular supervision to ensure inclusiveness and effectiveness of the enrollment process of the program in this new area of intervention. In areas that are not controlled by the Government, CSOs (third party) that have the trust of the EAOs will be tasked with the same responsibilities (see section III.A).

Figure 3. Sequence of Activities for MCCT Implementation



45. The union-level DSW will contract out the payment function to commercial payment agents that have adequate reach, social acceptability, and public trust in Ayeyarwady and Shan. A mapping of existing and potential payment agents was undertaken as part of project preparation, resulting in the

³⁵ The MCCT will accept ANC cards issued by different providers (public, private, NGOs, charity clinics, and so on) in areas where beneficiaries reside to ensure that all potential beneficiaries can enroll into the program.



identification of an array of potential payment agents in the selected areas. Contracting of payment agents will follow a competitive bidding process to ensure transparency, efficiency, and quality.

46. **Transfers will be linked to requirements of specific co-responsibilities expected from families, such as regular attendance at COSS and taking actions to improve health.** The regular monitoring of compliance with the program co-responsibilities will be the responsibility of the V-SPC under the supervision of DSW staff, or of a third party in areas that are not under the control of the Government in Shan State. As with the case of enrollment, use of mobile devices by the DSW staff and volunteers will be instrumental in facilitating the process to regularly monitor and report on compliance.

47. **The COSS sessions on improving nutrition behaviors in the selected priority areas will be targeting pregnant women, women with young children, husbands, mothers/mothers-in-law, and overall communities.** The VCSW at the village level will be responsible, with the support of the V-SPC, for organizing community outreach sessions, facilitating scheduled outreach health visits by the basic health providers, and facilitating transportation for beneficiaries to access facility-based health and nutrition services. The VCSWs will also facilitate active participation of basic health staff in the COSS sessions, assist mothers in seeking timely health care and nutrition services, and support communications to facilitate outreach and social behavioral change. The COSS sessions will also include communications to help vulnerable communities cope with the risks posed by climate change and its impacts. To enable smooth implementation and inclusiveness of these activities, this subcomponent will provide funds not only to the union but also directly to the region/state and district social welfare departments, which together with the union DSW will be responsible for building knowledge and skills of the VCSWs (not only on the content but also on facilitation, communication, and problem-solving). It will also finance monthly top-ups for the VCSWs and pay operating costs for supporting COSS implementation and supervision.

48. **In areas not under the control of the Government, community-based organizations (so called 'third party' in figure 1.2) with the trust of the EAOs will be tasked with the same responsibilities assigned to the DSW.** The skills building, key messages, and communications materials to be used in COSS will be adapted from existing materials that have been tested and implemented in Myanmar³⁶ or elsewhere. Quality communication material and innovative approaches will be critical for the success of community activities. The subcomponent will therefore finance continued evaluation of the material and identify needed adaptations, including investing in innovative ICT-based and other methodologies to deliver messages and induce behavior change. The use of ICT will also enhance such messaging, including with early warning systems, and information about shelters or other protective facilities, in the case of severe weather events.

49. **In the selected areas, a feedback and complaints mechanism will be set up to allow all stakeholders to register feedback, make complaints, or report irregularities in an anonymous and confidential manner.** This will include the possibility of reporting on irregularities from the time of enrollment and throughout program implementation. There will be various modalities for registering feedback, including community meetings, paper-based, by phone, and through an online platform. The

³⁶ The project team is working in close collaboration with DPs that have also developed behavioral change communication materials. The project team will be assessing the material to determine the support needed for enhancing the material and to identify needs for further investment to ensure successful implementation of the COSS activities.



protocol of response and the information system to monitor timely response to feedbacks and complaints will be developed centrally and used in all the areas in which the MCCT will be implemented.

50. **Subcomponent 1.2: Conditional cash transfers for pregnant women and mothers of children ages 0–2 in Ayeyarwady and Shan (IDA US\$87 million, US\$169.65 million counterpart funding).** This subcomponent will finance cash transfers to pregnant women and children under two in the selected areas. Cash transfer amounts will be set at MMK 15,000 per beneficiary household per month (about US\$10),³⁷ which is about 9 percent of household consumption for the poor.³⁸ This will ensure, on the one hand, that transfers can have a sufficient impact on consumption and service utilization, and on the other hand, that they do not distort labor market incentives. Cash transfers will provide additional income that can contribute to greater consumption of more diverse and nutritious foods and/or for covering transportation and other costs to access health and nutrition services. The additional income will also increase the capacity of households to manage climate change impacts such as crop failures, water contamination from flooding, and livelihood shocks, thus helping reduce health and malnutrition risks. Cash transfers will be conditional on attending monthly COSS sessions and on soft conditionalities relating to health and nutrition services (such as antenatal visits for pregnant mothers and full immunization and birth certificates for children).³⁹

Component 2: Enhancing MOSWRR’s capacity to implement social protection programs (IDA US\$8.72 million, counterpart funding US\$3.95 million)

51. **This component will focus on strengthening the capacity of the MOSWRR to effectively deliver, monitor, and evaluate SP programs and services across Myanmar.** To do that, the project will invest in (a) strengthening the physical and human infrastructure of the MOSWRR to deliver its flagship SP programs both at the national level and in priority R/S; (b) developing key building blocks for effective and inclusive implementation of the country’s flagship cash transfers programs; and (c) providing M&E and overall project management.

52. **Subcomponent 2.1: Enhancing MOSWRR capacity to deliver social protection programs (IDA US\$4.13 million, counterpart funding US\$3.95 million).** This subcomponent will support national and selected R/S, districts, and township-level DSWs to improve the physical and human capital infrastructure of the DSW to be able to deliver SP programs. This will involve, among other things, financing costs associated with building new climate-resilient offices; renting offices in the interim and improving infrastructure of existing ones;⁴⁰ ensuring adequate office equipment and vehicles; and hiring additional social welfare staff and building their skills. This subcomponent will also support participation and engagement in the national-level coordination mechanisms, including financing the operating costs for meetings of the National Social Protection Committee, the NSCG, and national technical groups, such as

³⁷ The benefit value is expected to be adjusted for inflation on a regular basis.

³⁸ It is equivalent to 13.7 percent of the food expenditure of the poor based on the latest household survey in 2015.

³⁹ Cognizant of the variation in supply-side readiness in project areas, the MCCT program will not require hard conditionalities on ANC visits of pregnant women and immunization of children. The condition at the outset would only be regular attendance of COSS sessions. As the supply side improves, hard conditionalities on antenatal visits and immunization will be proposed.

⁴⁰ In the construction of new buildings, the project will take into account potential risks posed by climate change, especially landslides and floods, using soil testing and other engineering measures, specific to each site. Offices where possible will include investments in energy efficiency and renewable energy such as rooftop solar systems.



the group on SBCC. At the R/S and township levels, it will provide financial support to the functioning of the SPCs in priority geographic areas for scale-up of flagship programs.

53. **Subcomponent 2.2: Developing key building blocks for more effective and inclusive poverty reduction programs (IDA US\$1.86 million).** This subcomponent will finance technical support to develop key building blocks for effective national SP programs. This subcomponent will finance the development at the national level of an MIS, a modern Government-to-person (referred as 'G2P') payment system, and a grievance redress system for the MCCT program. ICT will be used to communicate with beneficiaries and nonbeneficiaries and obtain community feedback. The subcomponent will finance contracting a call center for community feedback and the use of mobile technology to send and gather information from beneficiaries. This subcomponent will also finance the development of applications for mobile devices for facilitating enrollment and compliance verification. The experience from implementation under Component 1.1 will help to refine these national processes. The development of these national SP tools will have positive impact in the implementation of the MCCT nationwide as the systems developed will be used in all R/S where the MCCT is operational (Chin, Rakhine, Naga, Kayin, and Kayah, in addition to the Shan, and Ayeyarwady). Beyond the MCCT program itself, such systems will provide the foundations of a modernized national SP system which will be used by other programs such as the social pension⁴¹ and child grants.

54. **Subcomponent 2.3: Project Management, Monitoring and Evaluation (IDA US\$2.73 million).** This subcomponent will finance the following: the operational costs needed to manage, coordinate, monitor, and evaluate project implementation; the personnel costs for managing the project at the union, R/S, and district levels in the areas of contract management, financial management (FM), safeguards, procurement, and planning; and operating costs to undertake regular supervision and monitoring and to facilitate implementation of the project. In areas in which the DSW will not be able to support implementation and M&E, the subcomponent will provide resources for hiring a third party tasked with the same roles and responsibilities,⁴² and for conducting independent verification of the effectiveness of the MCCT in the areas supported by the project.

55. **Given the importance of generating timely evidence on the implementation and impact of the MCCT program, this subcomponent will support the development and rollout of a suite of M&E instruments for the program (see section III.B for more details).** The subcomponent will finance regular process and impact evaluations. The project will also finance annual process evaluations to explore issues such as whether the program reaches the intended beneficiaries, the effectiveness of communication campaigns and COSS sessions, timeliness of payments, and so forth. Iterative beneficiary monitoring (IBM)⁴³ will be used to get feedback from beneficiaries on a set of key questions and will be collected over the phone on a regular basis. Post-distribution surveys will also rely on mobile phone interviews and be implemented every quarter, as well as through three rounds of household surveys for impact evaluation. In areas identified as 'high risk of exclusion', exclusion assessments will be implemented according to the operations manual protocol. Areas at risk of exclusion will also be reviewed as part of the annual process evaluation of program effectiveness. The project will also finance in-depth assessments on specific topics

⁴¹ Social pension is also rapidly expanding its coverage from targeting those over age 90 until 2017 to those over age 85 in 2018 (covering approximately 165,000 beneficiaries) and for next year, moving the age to 80 years.

⁴² A number of CSOs and NGOs operate in those areas and have the trust of the community and of the EAOs. Further consultation during implementation will be needed to identify suitable third parties that will have the trust of all the stakeholders.

⁴³ Information is expected to be collected from beneficiaries using mobile phone interviews, reducing costs and risks to travel to insecure places.



of interest (for example, remote areas, mixed communities, EAO-controlled areas, and so forth). These assessments will be conducted with a combination of quantitative and qualitative methods (see table 3 on proposed M&E tools in section III.B). The investments in innovation and use of ICT in M&E will be critical, allowing the costs of M&E to be significantly reduced, and enabling receipt of regular feedback in conflict-affected or fragile areas without incurring significant risks (see box 2 for innovative ideas on the use of ICT for improved SP and COSS delivery, M&E, and behavior change).

56. **This subcomponent would also finance the project audits and third-party verifications in areas in which the DSW will not have access to regularly supervise program implementation.**

Box 2. Enhancing SP Programs Implementation M&E through ICT

Widely available ICT infrastructure—80 percent of households have phones, 70 percent have smartphones, and 20 million people have Facebook accounts—will be leveraged to improve program monitoring, evaluation, behavior change communications, beneficiary engagement, and decision making. The costs associated with ICT-based innovation for M&E will be financed, and where possible, complemented with trust funds and DPs. Android smartphones/tablets, local language-enabled interface, open source applications, mobile connectivity (no dependency on availability of Internet or networks), and local technical capacity will be the key focus. Smartphones will be used to collect data from the field for surveys, progress reporting, growth monitoring, project monitoring, and condition compliance with geo-tags (GPS), timestamps, and pictures/videos, as appropriate. Social welfare volunteers will also be enabled with smartphone-based apps as part of their day-to-day activities to report and update information on households and indicators. Their smartphones will also be used to deliver content and interactive training for health and nutrition behavior change. Beneficiary households will be geo-tagged to enable granular understanding of spatial inclusion. All field-level technical consultants will be required to use smartphones to record, geo-tag, and transmit surveys/reports of activities. Schemes to incentivize use of personal phones will be explored, such as payment of data or call charges to Government and community workers or partial payment of the cost of the smartphones. Beneficiary cell numbers/Viber numbers will be recorded, and they will be engaged proactively, with special focus on the potentially vulnerable groups to solicit feedback using SMS/voice calls/Viber messages, with local languages, to understand the problems faced at the beneficiary end. Viber-connected beneficiaries will be engaged both for interactive feedback and pushing relevant content, such as videos, animations, and pictorials in the local language. Public service messages will be broadcast to the users of smartphones and featurephones. Facebook will also be used as a key channel for pushing out content to create location-based awareness and to induce behavior change. Dashboards will be developed to systematically display progress, including potentially township-based ranking and analysis. Maximum focus will be on circulation of performance information collected, including from payment systems, to the widest possible internal and external stakeholders, including the beneficiary communities, for internal and external transparency and shared understanding of progress. A mix of analog and digital channels will be explored keeping in view cost effectiveness, sustainability, scale, and replicability. Wherever possible, activities will be outsourced to private sector vendors to create and sustain these efforts. Local laws on data privacy and unsolicited communications and other relevant regulations will be duly complied with.



Component 3: Contingent Emergency Response

57. **This zero-dollar subcomponent would allow rapid reallocation of IDA credits proceeds to respond to unanticipated eligible crises or emergencies.** The Emergency Response Manual (ERM) for the Contingency Emergency Response Component (CERC) will be an Annex to the Project Operations manual (POM). In the event the component is triggered, the Results Framework will be revised through formal restructuring to include appropriate indicators related to the emergency response activities. Component 3 has no allocation and no financing unless an emergency is declared. The proceeds of the credit allocated to Subcomponent 1.2. will be used in the event that the CERC is triggered.

C. Project Beneficiaries

58. **The project will directly benefit pregnant and lactating women, infants and young children up to age two, and indirectly benefit their families and communities in Ayeyarwady region and Shan State.** These two areas were prioritized based on the following criteria: health burden/nutritional need (with a particular focus on indicators of undernutrition such as stunting), supply-side capacity to provide relevant health services, and current level of coverage by key nutrition services. The identification of these two R/S began with the analysis of available evidence on the criteria mentioned earlier, followed by a consultation workshop with stakeholders from all relevant ministries at the union level, as well as representatives of the R/S and other stakeholders.

59. The cash transfer program in Ayeyarwady and Shan is expected to cover approximately 678,000⁴⁴ pregnant women and young children under age two. The entire population in the R/S is expected to benefit from media and community-wide campaigns and improved capacity of the MOSWRR in SP for an estimated number of 12,748,000⁴⁵ indirect beneficiaries.

60. **In addition, the ministry's capacity and system strengthening resources will benefit the whole country, particularly women and young children across the country, through national-level interventions.** The improved human capital and tools developed under Component 2 will be used in other R/S in which cash transfer programs are/and will be implemented. The proposed use of smartphone architecture will also help other ministries and programs take up such innovations.

D. Results Chain

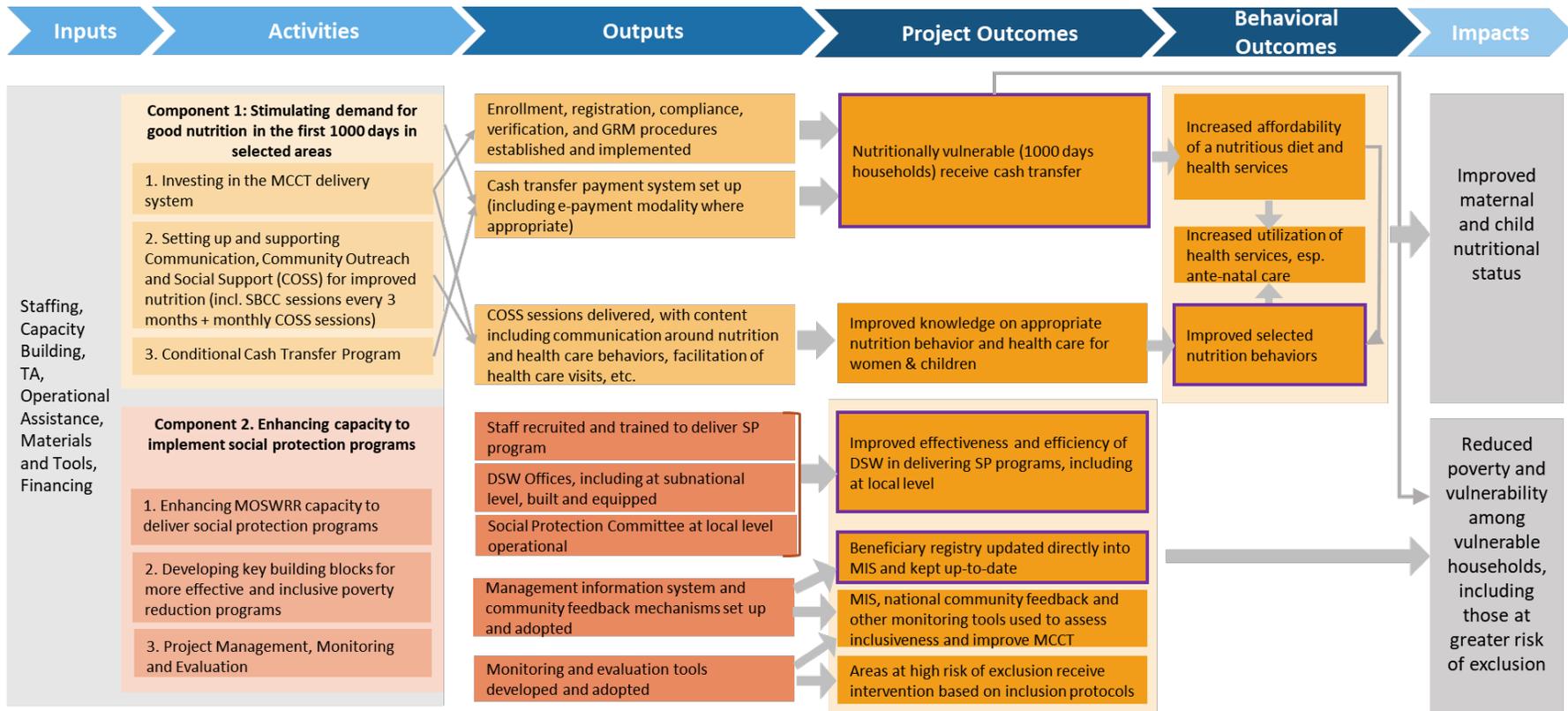
61. The results chain or the theory of change behind the design of the different project subcomponents and how they will contribute to the PDO, is illustrated in figure 4.

⁴⁴ This based on a World Bank calculation using the later Census (2014) and considering only pregnant mothers and mothers with young children and no spillover effects to other family members (cumulative numbers over the time span of the project). Of those, 17 cohorts will receive the CCT for the entire 1,000 days. The number presented would be the cumulative number of beneficiaries over the time span of the project. In year one, it is expected that over 230,000 new beneficiaries will be added to the MCCT.

⁴⁵ This number is based on the 2014 Census and population projection for 2020.



Figure 4. Results Chain



Outcome monitored at PDO level



E. Rational for Bank Involvement and Role of the Partners

62. **The World Bank Group, in addition to providing financing, brings global knowledge and expertise to the development of SP systems and nutrition operations.** Myanmar will benefit substantially from studying global and regional experiences of what has or has not worked in strengthening SP systems, and in reducing undernutrition among women and children. Over the past year in Myanmar, the World Bank Group, with the support of a trust fund from the Government of Japan, has provided international and national expertise on nutrition and costing to assist the four key ministries in the nutrition agenda—the MOHS, MOALI, MOE, and MOSWRR—in the development of a costed, prioritized MS-NPAN. Furthermore, the World Bank Group is also one of the few development agencies with strong operational knowledge in scaling-up of nutrition-sensitive SP systems. Globally, the World Bank has supported countries in all developing regions with the design and implementation of early years CCT programs, including in East Asia and Pacific countries, and in the Philippines, Indonesia, and Lao People’s Democratic Republic. Similarly, the World Bank Group, over the past year has provided TA to the Myanmar DSW by providing implementation advice on existing cash transfer programs, including measures to improve inclusiveness and record keeping (a first step toward the development of MIS), support in conducting an assessment on opportunities for moving toward digital payment for cash transfer programs, and knowledge-sharing of international best practices. Support was also provided from the multi-donor trust fund Rapid Social Response. Before that, the World Bank Group provided technical support to the development of the National Social Protection Strategy.

63. **While the proposed IDA financing of US\$100 million will not finance the full implementation cost of the MCCT (the total cost of the project is estimated to be more than US\$277 million) in the R/S covered, it will play a critical role as a catalyst to leverage financing from the GoM and the DPs.** LIFT, a pooled multi-donor trust fund managed by the United Nations Office for Project Services, has been instrumental in financing the MCCT pilots in previous years, implemented by NGOs, progressively scaling them up and utilizing the flow of funds through Government channels. IDA financing, which will incorporate lessons learned from LIFT, will focus on strengthening institutions and systems (in addition to financing the scale-up) to ensure greater programmatic and financial sustainability. DPs and international NGOs working on SP, including the UNICEF, LIFT, and the World Food Programme (WFP), along with members of the SP sub-sectoral working groups, will continue to be active partners of the MOSWRR in strengthening the SP system and will co-finance some of the system-strengthening activities, such as the development of MIS, development of COSS material, and evaluations of the program in other areas of intervention. Counterpart funding under the project is also an important indication of the Government’s commitment and its emerging capacity to sustain MCCT financing beyond project life.

F. Lessons Learned and Reflected in the Project Design

64. **A person’s early years, and in particular the first 1,000 days of life—from conception, through pregnancy and birth, the newborn period, and infancy—is a pivotal period of development.** Exposure to adversities during these years can disrupt cognitive, emotional, and physical development, and hold children back from reaching their full potential. Such adversities include poverty, malnutrition, lack of access to clean water and sanitation facilities, lack of nurturing care and stimulation, high levels of family stress, exposure to conflict, violence, child abuse, or neglect, and lack of access to quality health care and education services. An estimated 250 million young children in low- and middle-income countries are exposed to such risks (equivalent to 43 percent of all children in these countries). Physical and mental growth and development lost during this window of the first 1,000 days is impossible to regain later.



65. **Global evidence shows that SSNs can play a powerful role in combating poverty, inequality, and vulnerability as well as contributing to improved human development outcomes.** Globally, CCT programs have had an unambiguous impact on access to education and health for the poor and those most in need and have also had documented impacts on other human development outcomes, including nutrition outcomes, in a number of countries (Bastagli et al. 2016).⁴⁶ For example, in the Philippines, a 2012 evaluation of the CCT program found a 1 percentage point decrease in severe stunting among 6–36 month old children and a significant increase in safe deliveries among beneficiaries,⁴⁷ and in Brazil, the large safety net program, Bolsa Familia, reaches close to 25 percent of the population and has contributed to dramatic reductions in poverty and inequality.

66. **International experience suggests that the combination of cash incentives and behavior change communication is more effective in improving nutrition outcomes than only utilizing cash transfers** (Grosh et al. 2008⁴⁸; Bastagli et al. 2016). The global evidence also shows that including co-responsibilities for cash transfers, linked to attendance to monthly community awareness sessions at the start of the program, can further improve household behaviors. As health service supply improves, co-responsibilities can be progressively applied to health/nutritional conditionalities. In countries like Peru, cash transfer programs combined with social and behavioral change communication have proven to be effective. For example, child stunting rates in Peru fell by almost half in less than a decade (2008–2016) (Huicho et al. 2016⁴⁹), partly because of a major multisectoral nutrition effort that included a CCT. Investing in scale-up of the MCCT and setting up COSS under the same project is expected to increase that project’s impact. Special attention under the project will also be provided to focusing on the development and adaptation of COSS to the local context, benefiting from successful experiences in other countries and from the use of modern technologies.

67. **Evaluation of a pilot MCCT in Myanmar⁵⁰ shows an improved diet diversity and increased utilization of maternal and child health and nutrition services.** For example, as a result of the program, more households reported having visited health centers, having sought ANC, having had full immunization against Diphtheria, Pertussis, and Tetanus, having had higher rates of treatment for childhood diarrhea, and having increased exclusive breastfeeding rates. However, the pilot program showed that only having Government officials distributing cash to beneficiaries was inefficient and prone to corruption, whereas having specialized payment agents responsible for the delivery of cash can contribute to mitigating this risk.

68. **Cash transfer programs in conflict-affected and fragile areas pose special challenges and risks but also offer great opportunity.** Apart from the difficulties of access caused by security risks, such areas tend to be poorer, more vulnerable, and underserved in terms of public services. This means that while

⁴⁶ Bastagli, F. Hagen-Zanker, J. Stuge, G., Barca, V., Schmidt, T., Pellerano, L., 2016, “Cash Transfers: What does the Evidence Say? A Rigorous Review of Program Impact and the Role of Design and Implementation Features.” Overseas Development Institute (ODI).

⁴⁷ World Bank, Philippines Conditional Cash Transfer Program Impact Evaluation, 2012.

⁴⁸ Grosh, M., Ninno, C., Tesliuc, F., and A. Ouerghi. 2008. *For Protection and Promotion: The Design and Implementation of Effective Social Safety Nets*. Washington, DC: World Bank.

⁴⁹ Huicho, L, Segura, ER, Huayanay-Espinoza, CA, de Guzman, JN, Tam, Y, Barros, AJ, and CG Victoria. 2016. “Child Health and Nutrition in Peru within an Antipoverty Political Agenda: A Countdown 2015 Country Case Study.” *Lancet Glob Health* 4 (6): 414–26.

⁵⁰ See Save the Children 2018 evaluation of the LIFT-funded pilot MCCT (January 2016–December 2018) program, implemented in three townships in the Dry Zone Region, <https://resourcecentre.savethechildren.net/library/legacy-maternal-and-child-cash-transfer-mcct-program-learning-brief>.



cash transfers could raise demand for services, the supply side may not be able to match that demand. Such a mismatch between supply and demand could apply to nutritious food as well as to health services and sanitation. Additionally, in active conflict areas, areas which are ethnically mixed, or areas where exclusion is based on identity, there are risks that the cash will be captured by warring or rival parties or others rather than reaching the intended beneficiaries. These risks will be managed by working in close cooperation with the ethnic organizations and affiliated CSOs which are operating in the respective areas. If the project builds effective relationships with the relevant ethnic organizations, the result could well be a stronger community mobilization.

69. **Evidence shows that the program presence at the local level increases the confidence and trust of the population in the program and has direct positive impact on the wellbeing of households.** The use of village volunteers can help to increase inclusion due to greater and more frequent outreach and timely feedback. In addition, the volunteers provide key information and messages about the program, enhance social support of the target population, and enable an open communication channel between the communities and the program implementers.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

70. **The proposed project will strengthen existing institutional arrangements and also expand mechanisms to implement the MCCT and other SSN programs at the union, R/S, district, and township levels.** The DSW within the MOSWRR has overarching responsibility for the oversight and coordination of the SSN programs at the national level and monitoring progress toward their achievements. Because the DSW has had no experience managing IDA-financed projects with the World Bank Group, early investments in capacity building will be made, with financing from Component 2. The proposed project will build operational and technical capacity within the DSW at the central and local levels, complemented by TA from the World Bank Group on the strengthening of the SP system.

71. **A dedicated Project Operations and Management Team (POMT) at the union level, led by the director of the DSW and staffed with 4 DSW staff and 10–12 contracted project staff, will lead the project implementation, supervise implementation in Shan and Ayeyarwady, oversee the investments in strengthening the national SP system, and coordinate M&E of the project.** At the R/S level, project support teams (PSTs) led by the R/S DSW director and staffed with the DSW appointed personnel, will be responsible for managing and overseeing day-to-day project implementation at the subnational level, including assisting with operationalizing the data system and FM. To foster sustainability, the POMT will be mainstreamed into Government structures, along with clearly designated DSW officials and personnel, and will have access to necessary external TA (mostly national consultants). At the township level, 4–5 DSW staff members will be designated to implement the MCCT program, along with other programs. These DSW personnel at the township level will regularly support and supervise the village-level activities such as beneficiary identification and enrollment, compliance verification, conduct of COSS sessions, and complaints response.

72. **A National Social Protection Steering Committee, chaired by the Vice President, has been set up in Myanmar in 2018 to provide leadership and guidance to the implementation of the SP strategy.** The National SP committee and the R/S SP committees will provide critical leadership and guidance on the implementation of the MCCT through biannual meetings. The POMT will report to the Executive



Committee of the MOSWRR. At the R/S and township levels, multisectoral SPCs will be set up and meet every quarter at the R/S level and every two months at the township level. At the village tract level, the project will finance the convening of V-SPCs which through their regular meetings and activities, will support the day-to-day implementation of the program. A V-SPC, formed by the community with representatives from the local administration, village elders, women, health and education workers, and so forth, will serve as the lowest level community-based platform and will play a key role in program mobilization, beneficiary identification and enrollment, and operating the feedbacks and complaints response mechanisms.⁵¹ The V-SPC, with its diverse and appropriate membership, will support synergy and collaboration across different sectors. In addition to supporting identification and enrollment of beneficiaries, the V-SPC will be providing a number of important functions including providing facilitation and oversight of cash payments in areas where digital payment is not feasible, supporting the VCSWs in organizing monthly COSS sessions in the village, checking and endorsing the COSS session attendance by the beneficiaries, and implementing a complaints/feedback mechanism at the village level through a dedicated complaint focal person per established guidelines in the OM.

73. At the community level, the MCCT program implementation (cash plus COSS) will be complemented by health and nutrition services delivered by the MOHS. The VCSWs, mobilized and financed under the project, will be critical for ensuring timely implementation of the MCCT program by focusing on social mobilization and COSS at the village level. The VCSWs will support active participation of basic health staff in the V-SPC meetings and COSS sessions, assist mothers who seek timely health care and nutrition services, and encourage outreach and communication on social behavioral change matters. The V-SPC will help the VCSW in organizing community outreach sessions, facilitating scheduled outreach health visits by the basic health providers, and providing transportation for beneficiaries to access facility-based health and nutrition services.

74. Shan State can be broadly categorized into five areas: (a) Government-controlled areas with no active conflict; (b) areas with active conflict, either between the military and the EAOs and/or between the EAOs; (c) areas under nongovernment control;⁵² (d) self-administered areas;⁵³ and (e) temporary shelters for the IDPs. Given this complexity, project implementation arrangements—particularly at the local level for delivery, monitoring, and oversight of project activities—will have to be adaptive and be mindful of the need to sufficiently take into account the individual context. For example, at the community level, this may mean modifying the designation and composition of the village committees, the procedures for selection, training and supervision of village volunteers, and the delivery model of health and nutrition services, among other things.

⁵¹ The V-SPC would consist of Village Tract Administrator who is part of the local administration, heads of villages, representatives of Village 10 Household Heads, the principal/teacher from the village school, midwife/basic health staff from the nearest public health facility or trained medics in EAO-controlled areas or health representatives in self-administered areas, and women's group representatives.

⁵² Areas under nongovernment control refer to the areas currently contested for control either between the military and the EAOs or between the EAOs.

⁵³ Self-administered areas are areas declared by the Government to be autonomous and self-administered by certain ethnic groups. For example, there are five self-administered areas in Shan State, namely Wa self-administered division, Pa-Oh self-administered zone, Da Nu self-administered zone, Pa Laung self-administered zone, and Kokant self-administered zone.



75. In brief, implementation arrangements in areas apart from the ones which are Government-controlled are anticipated to be along the following lines:

- **Areas with active conflict.** The project will put in place a mechanism at the state level to conduct regular and joint reviews of the status of conflict, security, and access issues at the township and sub-township levels. This mechanism will take the form of quarterly state-level meetings⁵⁴ where participation is assured to all members of state SPCs, state government, local CSOs, the EAOs (where possible), and organizations linked to the EAOs.⁵⁵ Participants in the meetings will review and make recommendations on which areas are considered safe for project implementation and which areas should halt implementation until further review. In making a recommendation, they will consider two main criteria: (a) whether the area in question is safe for personnel and volunteers to travel; and (b) whether the pre-identified and agreed third-party actor has access to the area to implement and monitor project activities. If both criteria cannot be satisfied, the project will not undertake activities in those areas, but will continue to monitor the security situation.
- **Areas under nongovernment control:** The EAOs control some of the areas where project will work. While the EAOs will not be directly implementing the project, regular and ongoing consultations with the EAOs during project implementation will be very important: first, to explore their willingness to allow beneficiaries living in their areas to benefit from the project; second, if the EAOs express willingness, to identify contextualized approaches of delivering project benefits to the beneficiaries living in these areas. These can include, for example, implementing project activities through trusted organizations such as local ethnic and community-based organizations and NGOs; third, to identify and agree on third-party monitoring arrangements in these areas; and fourth, to get access by implementers and third parties for monitoring areas where the EAOs have control. If the EAOs agree to have the project implemented in areas under their control, such agreement will be recorded through signed meeting minutes of the decision, and/or a formal letter from the EAOs/organizations linked to the EAOs addressed to the DSW, through which the EAOs will grant access to project implementers and third parties for monitoring and confirm that beneficiaries living in their controlled areas can participate in the project and benefit from it.
- **Self-administered areas.** Relationships, trust, and collaboration often varies between the Government and the local authorities of the five self-administered areas. Relations and access are not a problem in the Pa-Oh, Palaung, Danu, and Kokant areas, where public service delivery mechanisms already exist. There is only limited access in the Wa region, as currently four out of six townships in the area are off limits to the Government, but the DSW has already begun discussions with the Wa authorities.⁵⁶ Following similar principles as are utilized in interacting with the EAOs, tailored approaches in these self-administered areas, particularly in Wa, will be identified and developed in dialogue and consultation with the local administrations, state government, and local CSOs. If the local authorities in these self-

⁵⁴ More details on the organization of the quarterly meetings will be set forth in the OM.

⁵⁵ Moreover, the World Bank Group team will be using the conflict monitoring system that the World Bank is setting up with a local organization.

⁵⁶ Implementation modality and actors will be identified and agreed based on the dialogue—for example, it may be through a trusted NGO already operating in the Wa region or through authorities from a social department of Wa implementing a third-party monitoring arrangement.



administered areas agree to have project implemented in their areas, such agreement will be recorded through signed meeting minutes of the decision, and/or formal letter from the local authority addressed to the DSW, through which the local authority will grant access to project implementers and third parties for monitoring and confirm that beneficiaries living their areas can participate in the project and benefit from the project. Depending on the outcomes of these dialogues, third-party monitoring will be instituted in some areas.

- **IDP shelters:** Approximately 15,000 IDPs are living in 75 temporary shelters in Shan North. Unlike in Rakhine, they have no limitation on movement while they are residing in these shelters. Being mindful of the discussions on permanency of camps and the level of vulnerabilities of people living in confined setting for nutritional outcomes, the project will provide benefits to women and children in these shelters as a temporary solution for a population at high risk of malnutrition. To ensure acceptability of cash transfers and COSS sessions for this population, consultations with the local authorities, shelter management committees, IDP representatives, DPs, and key stakeholders involved in supporting IDPs will be undertaken to identify a neutral, appropriate, and trusted mechanism for delivery of cash and COSS sessions within this setting—for example, through United Nations agencies, CSOs, and international and national NGOs. The project will coordinate with the United Nations High Commissioner for Refugees (UNHCR) for supporting IDPs in Myanmar.

B. Results Monitoring and Evaluation Arrangements

76. **The results indicators for the project will be monitored using a combination of administrative and survey data.** The MIS for cash transfers will serve as the main source of administrative data for tracking indicators such as the number of cash transfer beneficiaries; characteristics of individual beneficiaries and households (including mother tongue, secondary language, pregnancy status, age, and so forth); community/village profiles; payments lists; the amount and timing for each payment; use of proxies for payment collection; COSS sessions held and participation in them; complaints reported and timing of responses; and attendance at village communication sessions. The MIS system will additionally include systematic records of information gathered by implementing staff and volunteers, based on the checklist and the process set up. All information will be recorded by location. The MIS at central, R/S, district, and township levels will have computers to enter and analyze data on a regular basis. In conflict-affected areas because the ethnic organizations do not regularly report their data to the Government, the project team will work in close cooperation with the ethnic organizations and the authorities of the self-administrative zones to collect project-specific data required for monitoring project implementation.⁵⁷ In those areas, a third party will be contracted to implement the functions of the DSW.

77. **The MIS will be interactive and enable analysis of data captured through the various implementation and monitoring mechanisms to facilitate informed decision making.** The MIS will inform the day-to-day operations of the MCCT, with personnel at all levels feeding information into it. The use of mobile devices will facilitate the process of data collection and shorten the time in which information can be available. The MIS will be also used to assess potential exclusion errors. One of the functionalities of the MIS will be to compare numbers of registered beneficiaries with the numbers of expected beneficiaries in each village, and (as relevant and feasible), demographic characteristics (for example,

⁵⁷ Given the possible sensitivity of collecting socioeconomic data on households, negotiations will be held with the EAOs and self-administered areas to define the type of information that would be collected at registration and transmitted to the DSW regularly on program beneficiaries.



proxy for ethnicity) based on other administrative and census data. Where a visible discrepancy in these numbers is identified, it will be automatically reported to program management for immediate follow up, based on an established protocol (areas at so-called 'high exclusion risk'). The information to monitor exclusion through the MIS will also be triangulated with information from the grievance redress mechanism (GRM) system and other sources. The MIS will also report on the number of complaints received, categorized by type of complaint (about inclusion, amount, or timing of payment, and so forth) and timing of responses to complaints (citizen engagement indicator). The MIS will also be used to systematically inform about COSS and to monitor outreach activities conducted by the VCSWs. Digital check-ins that are geo-tagged and time stamped will be matched against locations of registration and timing of COSS and, in case of discrepancies, interventions for the DSW supervision will be flagged.

78. **In contrast to monitoring, which provides ongoing structured information, evaluation will only be conducted periodically.** The evaluation plan for the MCCT program will inform management decision on program adaptation and future scale-up. This project will finance multiple evaluation methods in line with international good practices and will include process evaluation and more detailed impact assessments. Table 3 summarizes the proposed M&E tools, their areas of focus, and the time frame for each of them.

79. **Process monitoring, citizen engagement, and a GRM financed by the project will be enhanced using, among other instruments, IBM to solicit regular beneficiary feedback.** ICT tools will be used to communicate with both beneficiaries and nonbeneficiaries in project areas and receive direct feedback on the program. It may include using call centers through which grievances can be reported anonymously and on time. The IBM tool will comprise regular quick, small, and targeted surveys. IBMs will track a narrow set of indicators such as timeliness of payments, handling of grievances, and participation in community nutrition sessions. The information will be traceable at the village level and will be triangulated with other sources of information to assess inclusion concerns. The program will also conduct regular post-distribution surveys with beneficiaries, which will be critical for receiving timely responses to operational questions (for example, timing and amount of payments received), and also conduct surveys on delivery and effectiveness of COSS.

80. **Household survey data will be used to capture information on household and individual level outcomes,** such as dietary diversity at the child or household levels, share of the poor population receiving cash transfers, utilization of essential health and nutrition services, inclusion, and women's empowerment, among others. Where possible, external resources will be used to finance baseline data collection and for follow-up rounds of data collection.

81. **The project will also finance in-depth assessments on specific topics of particular sensitivity, such as remote areas, mixed communities, EAO-controlled areas, and impact of COSS.** The in-depth assessments will be conducted with a combination of quantitative and qualitative methods. Formative research on COSS will use a behavioral change communication. Those evaluations will be done in partnership with other DPs active in the field.

82. **International development actors active in the SP sector in Myanmar will support the MCCT M&E agenda.** DPs and international NGOs working on SP (UNICEF, LIFT, WFP, the International Labour Organization, the World Bank, Save the Children, and Help Age) have been financially supporting the setup and progressive evaluation of the MCCT program and also providing TA. A subsector technical working group of the Social Protection Sector Coordination Group (referred to as SP-SCG) was established last year



to agree on the proposed M&E tools to be used for the scale-up of the MCCT. The subsector technical working group will continue to play a key role in developing tools to support effective M&E, and in financing some of these tools and surveys.

Table 3. Proposed M&E Tools

M&E Tool	Areas of Focus	Time Frames
<p>Process evaluation: Regular monitoring tool on program implementation (quantitative and qualitative), implemented by third party</p>	<p>Used to assess program implementation. Will focus on the following aspects of program implementation: Implementation in accordance with prescribed guidelines, requirements and conditions; extent of compliance at different stages; efficiency of implementation; pertinence and relevance of the program; perceptions of the program by beneficiaries and communities; whether the program reaches the intended beneficiaries; the effectiveness of COSS activities; and the timeliness of payments. Respondents to include not only beneficiaries and key informants, but also nonbeneficiaries in communities covered by the program.</p>	<p>Annual (data collection year round, one report a year)</p>
<p>Feedback surveys: IBM</p>	<p>Used to get feedback from the beneficiaries (their mobile phones will be collected upon registration in the program) on a set of key questions. IBM relies on call centers and regular waves of calls with beneficiaries for rapid feedback and adjustments to the program. These surveys will also be applied to service providers for the program (DSW and MOHS).</p>	<p>Regular frequencies, over the phone (approximately 2–4 quick reports a year)</p>
<p>Quick beneficiary survey: Post-distribution monitoring</p>	<p>Implemented to assess the timeliness and accuracy of payments or for the delivery of COSS. More limited and specific set of questions than in IBM.</p>	<p>Every quarter</p>
<p>Impact surveys: Quantitative survey of participants, communities, and Government (representative at R/S level)</p>	<p>Profile of beneficiaries and their households, the impact of the program measured against the theory of change, relevance, community perceptions, and sustainability concerns.</p>	<p>Years 1–3–5 (baseline, midline, and end-line survey)</p>
<p>Impact assessment: In-depth case studies and completion reports</p>	<p>Purposeful sample to take a deeper look at specific topics of interest (for instance, remote areas, mixed communities, EAO control, SBCC-COSS, and so forth). Will be complementary to impact evaluation that uses quantitative survey. Qualitative studies will inform the proposed questions for the areas oversampled.</p>	<p>Years 1 and 3</p>
<p>Additional sources of information for M&E purposes</p>		
<p>MIS</p>	<p>Information on the number of beneficiaries per R/S, village tract/ward, village, for every payment round; disaggregation by several characteristics of beneficiaries, as explained earlier; Information on COSS sessions and participants; Information entered by program administrators, including dates of visits to each village, issues with access and implementation, other details required by protocols.</p>	<p>Constant updates</p>



M&E Tool	Areas of Focus	Time Frames
GRMs	Information on all complaints received from various tools and follow-up actions, entered by program administrators. Data is searchable by geographic location, basic demographic characteristics of beneficiaries, and other factors. The timeliness of responses for each type of complaints will be reported.	Constant updates

C. Sustainability

83. **Financial.** The project is fully aligned with Myanmar’s Sustainable Development Plan and its long-standing agenda on poverty reduction. The project supports Government efforts to reduce childhood malnutrition, thereby contributing to human capital development in the long term and the Government efforts to reduce poverty and vulnerability. Financial sustainability of the project benefits will be ensured by the fact that the GoM is committed to the MCCT program and was already financing it before the project and will co-finance in the areas of interventions with a progressively decreasing contribution of the World Bank. Thus, the project is building on an existing program to which the GoM has already committed its own resources and co-financing is planned for both R/S. The GoM has provided assurances that, once scaled-up using IDA funds, the activities will be continued using the Government’s own budget. As the project seeks to leverage IDA funds to mobilize other DP resources as well, it is expected that additional funds from DPs (such as the LIFT donors) will be forthcoming, providing further support to the sustainability of the program. From a fiscal perspective, Myanmar’s spending on SSNs remains extremely low. Cash transfers at scale as a percentage of current spending and GDP are feasible and fully within the cost considerations of any national government. A study has found that these costs are often lower in relation to conventional SSN program spending, particularly school feeding, public works, and other nutrition or in-kind spending (S. Handa 2018⁵⁸). The proposed expansion of the MCCT will only increase spending by less than 0.1 percentage point of GDP, keeping Myanmar among the group of countries that spend the least in SSN in the region (average spending on SSN in East Asia and Pacific is about 1 percent, as per ASPIRE 2018). Moreover, the project will provide support to critical investment in strengthening the capacity of the MOSWRR to deliver SP programs.

84. **Programmatic.** Sustainability in the context of the MCCT and nutrition programs should be viewed in terms of sustaining the MCCT program over time rather than as an open-ended commitment to transfers and other support for any individual household. The design of the program is such that households are only eligible during the period from pregnancy to the child’s second birthday. The reliance on the program is thus limited to a critical time in child development and where the costs of no intervention would be significant in terms of loss of productivity and ultimately economic growth (apart from welfare losses of a more intrinsic nature). Only families that regularly attend COSS sessions will receive the cash transfer. Once the beneficiary households get the cash boost provided by the MCCT to change their behaviors in terms of nutritious diet and health care utilization during the critical 1,000-day window, the benefits for those children will be permanent, and the behavior change will yield benefits to the children subsequently born into those households. As community mobilization and communication are at the center of the project design, it is anticipated that the knowledge and behaviors imbibed by the

⁵⁸ Handa, S. Daidone, S. Peterman, A., David, B., Pereira, A., Palermo, T., Yablonski, J., “Myth-busting? Confronting six common perceptions about unconditional cash transfers as poverty reduction strategy in Africa”, World Bank Research Observer, 33(2): 259-298.



women would be sustained for the rest of their lives and even transmitted to future mothers. Thus, the project design is intrinsically sustainable.

85. **Institutional.** The project places considerable emphasis on capacity building and system development. The DSW already has in place the institutional features necessary to begin to oversee the MCCT, which means the institutional sustainability is likely to be assured with the further capacity building under the project. While the project proposes a POMT and a PST, it will be staffed by regular government officials, and any TA will be explicitly designed in a way that skills and capacity will be built into the Government's organizational structure at the union, R/S, and township levels. FM and procurement will be carried out using the Government's own systems, also strengthening the likelihood of institutional sustainability.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

Technical

86. **The proposed activities to be financed are in line with global evidence of what are effective programs, but also reflect the specificities of the Myanmar context.** Expanding an existing nutrition-sensitive SSN program like the MCCT can provide substantial gains to Myanmar, particularly in areas that have been identified as being at high risk of experiencing stunting and multidimensional poverty. The country already has in place a MCCT program in some R/S and also other social assistance programs that will benefit significantly from the overall strengthening of national SP delivery mechanisms such as enrollment, payments, information systems, and grievance redress. The DSW has been investing significantly in the past three years, with the support of different donors, in setting up programs for those most in need. Programs like the MCCT were set up in a short time frame and have since been progressively adjusted. Through this project, the MCCT will particularly benefit from investments being made in developing more sophisticated information systems (currently, all cash transfer programs rely on basic Excel files) and payment systems (currently all cash transfers are done manually by the GAD staff), and in decentralizing the implementation of the SSN programs. The strong focus on M&E will also ensure continuous improvement in program design.

87. **The project is designed to contribute to the Government's nutrition strategy, MS-NPAN.** Activities in the relevant sectors under the four key line ministries (MOALI, MOE, MOHS, and MOSWRR) will complement each other to support the common goal of the MS-NPAN to reduce undernutrition both among children under five and among women of reproductive age. The World Bank Group's support to these multisectoral efforts is provided through existing and proposed operations under the relevant sectors, including the Policy Dialogue on Reducing Stunting in Myanmar, Lao PDR, and Cambodia (P165482), the Essential Health Services Access Project (EHSAP) (P149960) and its Additional Financing (EHSAP-AF; P160208), the National Food and Agriculture Systems Project (P164448), and the Decentralizing Funding to Schools Project (P146332). The following paragraphs briefly describe activities in the MOHS, MOALI, and MOE, and the World Bank Group that support those programs, complementing the project activities under the MOSWRR.

88. **Health.** The MOHS and World Bank are preparing the proposed EHSAP-AF. It is proposed to finance health service delivery infrastructure in 19 townships that have been prioritized using data from the MDI (Central Statistical Office) and the Health Input Score Index (MOHS). The tentative townships are



clustered in Ayeyarwady and Shan, (which overlap with this project). The investments aim to ensure that primary health care facilities at the township level and below are ready to deliver facility-based and outreach-based services that would improve women and children’s health and nutrition outcomes. In addition, the EHSAP-AF proposes to finance mobile health services for the underserved, displaced, and hard-to-reach populations elsewhere in the country and system-strengthening efforts. These investments are all aimed at improving reproductive, maternal, neonatal, and child health outcomes, which if achieved, would directly contribute to nutrition improvement among women and children. The MCCT activities, along with COSS proposed under this project, would result in greater utilization of maternal and child health services supported by the EHSAP-AF in Ayeyarwady and Shan, thus achieving significant synergies for nutrition.

89. **Agriculture.** Under the MOALI, various programs aimed at nutrition-sensitive agriculture are included under the MS-NPAN. The World Bank Group is preparing a new operation with the MOALI that will contribute to the MS-NPAN—the National Food and Agriculture Systems Project (NFASP, P164649). The proposed project will include nutrition-related synergistic activities in the same townships in Ayerawady region and Shan State. Such activities on nutritional and food safety improvement will be extended beyond the 1,000-day period. Some activities under consideration include provision of quality seed for genetically improved biofortified varieties of high value crops, that is, pulses/beans/oil seed crops; improved laboratory testing capacity to assess the food and nutritional value of suitable value chains that can improve livelihood opportunities; and support to extension offices (better training and knowledge sharing). One specific intervention being considered is to include nutritional education slots in all training activities formulated under the NFASP project in targeted townships. There will be resource sharing to improve the quality of extension materials. From a policy perspective, the NFASP will work closely with the MOALI focal point to assist implementation of the MS-NPAN. Under the MOE, the MS-NPAN envisages providing school feeding programs and curriculum improvements to ensure the inclusion of appropriate nutrition-related education. Better education of young children, especially girls, with a focus on eating, feeding, and caring behaviors, as well as personal hygiene and sanitation, should help improve the nutritional status of future generations of the Myanmar population.

90. **Education.** The MS-NPAN envisages providing school feeding programs and curriculum improvements to ensure the inclusion of appropriate nutrition-related education. Better education of young children, especially girls, with a focus on eating, feeding, and caring behaviors, as well as personal hygiene and sanitation, should help improve the nutritional status of future generations of the Myanmar population.

91. The project is also expected to contribute to mitigating climate change risks and vulnerabilities of beneficiaries. Several aspects of the project design are expected to mitigate the climate change risk and vulnerability of beneficiaries and to contribute to improving resilience, as follows: (a) the construction of new buildings in Subcomponent 2.1. will take into account any potential risks posed by climate change, especially landslides and floods, by way of soil testing and other required engineering measures, specific to each side; (b) the project, where possible, will include investments in energy efficiency and renewable energy such as rooftop solar (low-carbon elements); (c) Subcomponent 1.2. will provide cash benefits to women and children, which will directly help them cope with the impact of climate change providing additional resources to buy nutritious food and manage health-related climate impacts; (d) within Subcomponent 1.1., the key aspect of behavior change will be sought to be achieved through COSS, that is, within the local communities, minimizing the need for long travels for the activities to be conducted;



and (e) the COSS sessions will also include communications to help vulnerable communities cope with the risks posed by climate change and its impacts.

Economic

92. **The persistence of high levels of undernutrition in Myanmar in the face of strong economic growth and poverty reduction represents a staggering, yet avoidable, loss of human and economic potential.** Undernutrition elevates the risk of child morbidity and mortality, and the future risk of metabolic disorders associated with adulthood overnutrition. It leads to increases in expenditures on health care and SSNs, lowers the efficiency of investments in education, and decreases lifelong income-earning potential and labor force productivity, with the potential to be transmitted across generations.

93. **Early life undernutrition is, therefore, a key human capital constraint to further poverty reduction, competitiveness, and the creation of a vibrant private sector in Myanmar.** The current cohort of young workers who have grown up in a period of very high rates of maternal and childhood undernutrition face many potential challenges in reaching their full potential, and these developmental handicaps continue to affect the present generation of young children. Fortunately, there is a window of opportunity, and intervention in this first 1,000-day period can help avoid these problems and support human capital for the next generation. Good nutrition—especially during the earliest years of life—underpins the future of the people of Myanmar, and in addition to its intrinsic value to the people, it can be a catalyst for growth (Caulfield et al. 2006⁵⁹; Horton and Steckel 2013⁶⁰).

94. **The major challenges facing the Myanmar population in obtaining maternal and child health services are linked to issues of accessibility.** Two major barriers that have prevented pregnant women from accessing maternal and child health services, resulting in low service utilization, are (a) the distance between homes and health facilities, and (b) a lack of transportation. Financial difficulties also play a role in deterring access. Evidence shows that 39 percent of pregnant women had to borrow money for maternal and child health services, costing US\$147 PPP (MMK 32,000) and US\$129 PPP (MMK 28,000) for delivery assisted by skilled birth attendants (SBAs) and non-SBAs, respectively (Biomed Central Health Services Research, 2016).

95. **Nutrition interventions contribute significantly to child survival and cognitive development and to improvements in educational performance and economic growth.** Nutrition interventions are among the most cost-effective interventions to enhance welfare and reduce poverty. The Copenhagen Consensus 2008⁶¹ ranked five nutrition interventions in the top 10 among 30 proposals presented in response to the question of the best way to advance global welfare. Improving child health and nutrition, especially in the first 1,000 days, is critical for addressing the World Bank Group twin goals of reducing poverty and boosting shared prosperity. At the individual level, chronic malnutrition in children is estimated to reduce a person's potential lifetime earnings by at least 10 percent (World Bank 2006). Other studies have shown

⁵⁹ Caulfield, L.E. et al. 2006. "Stunting, Wasting, and Micronutrient Deficiency Disorders." Chapter 28, pp. 243–260. In Jamison, D.T. et al. (eds.). *Disease Control Priorities in Developing Countries*. 2nd edition. Washington, DC: World Bank.

⁶⁰ Horton, S., and R. Steckel. 2013. "Global Economic Losses Attributable to Malnutrition 1900–2000 and Projections to 2050." In *The Economics of Human Challenges*, edited by B. Lomborg. Cambridge, U.K.: Cambridge University Press.

⁶¹ <http://www.copenhagenconsensus.com/Projects/Copenhagen%20Consensus%202008-1.aspx>. For further reading, see "Global Crises, Global Solutions", edited by Bjorn Lomborg. Cambridge; New York: Cambridge University Press, 2004.



that a 1 percent loss in adult height results in a 2 percent to 2.4 percent loss in productivity (Caulfield et al. 2006; Horton and Steckel 2013; Strauss and Thomas 1998⁶²).⁶³ The economic costs of undernutrition have the greatest effect on the most vulnerable people in the developing world. A recent analysis estimates these losses at 4 percent to 11 percent of GDP in Africa and Asia each year (Horton and Steckel 2013)—equivalent to about US\$149 billion of productivity losses each year. Most of those losses are due to cognitive deficits. As developing countries move from manual labor-based economies to ones that are based on skilled labor, the negative impact of child malnutrition and stunting on incomes and economies will likely further increase.

96. **Cash transfer programs have a positive impact on both overall household spending for food and on the purchase of nutritious food.** Hjelm 2016⁶⁴ and Tiwari et al. 2016⁶⁵ show that in five out of seven evaluations reviewed, cash transfers resulted in significant increases in food expenditures and/or total per capita expenditures. Households showed increases in expenditures allocated to food and other items, and they did not increase spending on alcohol and tobacco. Furthermore, cross-country comparative analysis of cash transfer projects' evaluations demonstrate that transfers have a variety of positive impacts on additional food security indicators, including household dietary diversity, consumption of nutritious foods, and hunger-related coping strategies. The study also shows a positive increase by nearly 30 percentage points in the proportion of children receiving a minimum acceptable diet, from 9.9 percent of children to 41.7 percent ($p < 0.001$). Intensive SBCC also shows greater impact than less-intensive SBCC on IYCF. Changes to complementary feeding indicators in particular are so strong that significant positive impacts are detected in even a small sample of Government treatment villages.

97. **Several evaluations and reviews (Bastagli et al. 2016; World Bank, 2011⁶⁶) have demonstrated the positive impact of safety net programs on poverty reduction and human development outcomes.** The body of evidence on cash transfers shows significant positive impacts of those programs on household consumption, health promotion, and access to health and nutrition services. With more than 29 percent of its children chronically undernourished (39.7 percent and 37.5 percent in Shan and Ayeyarwady respectively⁶⁷), Myanmar faces significant economic costs both in the short- and long-run. In the short-run, malnutrition-caused recurrent child morbidity affects the household economy by increasing health expenditures and forgone income of caregivers. In the medium- to long-run, undernutrition elevates the risk of infant and child morbidity and mortality, increases expenditures on health care and SSNs, lowers the efficiency of investments in education by adversely affecting the child's cognitive abilities, and decreases lifelong income-earning potential and labor force productivity—all of which have the potential to be transmitted across generations.

98. **Moreover, cash transfers are reducing the need for people to borrow and therefore to be exposed to increased vulnerability.** In terms of cash usage, midline data from the Myanmar MCCT

⁶² Strauss, J., and D. Thomas. 1998. "Health, Nutrition and Economic Development." *Journal of Economic Literature* 36 (1): 766–817.

⁶³ While data for Myanmar are not available yet, they are expected to be of similar magnitude, if not higher.

⁶⁴ Hjelm, L. 2016. The impact of cash transfers on food security. Transfer Project Research Brief 2016-01. Accessed 5 January 2017: <https://transfer.cpc.unc.edu/wp-content/uploads/2015/09/The-Impactof-Cash-Transfers-on-Food-Security.pdf>

⁶⁵ Tiwari, S., Daidone, S., Ruvalcaba, M.A., Prifi, E., Handa, S., Davis, B., Niang, O., Pellerano, L., Quarles van Ufford, P. and Seidenfeld, D. 2016. Impact of cash transfer programs on food security and nutrition in sub-Saharan Africa: A cross-country analysis. *Global Food Security* 11: 72-83.

⁶⁶ IEG (Independent Evaluation Group). 2011. *Social Safety Nets: An Evaluation of World Bank Support, 2000-2010*. Washington, DC: World Bank.

⁶⁷ Based on the latest DHS for Myanmar, 2015.



program show that the overwhelming majority of legacy enrollees continue to receive monthly cash transfers in full, and that nearly all of these women are the primary decision makers on spending decisions. In some behavior indicators relating to health (most notably delivery care), researchers observed a lower proportion of women in treatment villages who have had to borrow money to pay for health care, suggesting that cash transfers are being used to pay for critical health care needs and are helping to reduce indebtedness among the target population (IPA 2017).

B. Fiduciary

Financial Management

99. **The overall FM risk is High. An FM Assessment for the proposed project has been carried out.** The assessment has concluded that the project meets the minimum World Bank FM requirements as stipulated in the Bank Policy/Bank Directive for Investment Project Financing. The key risks identified are (a) payment may be made to the wrong beneficiaries with the wrong amount in the wrong time (delayed) and not reported promptly, and (b) the project staff may not have the necessary experience and expertise to manage the project.

100. **The main actions required to mitigate the identified risks are the following:**

- (a) Development of a POM setting out the guidance for project implementation and for procedures to make cash payments which segregate the functions of targeting (and maintaining the list of) beneficiaries, payment, and verification (*by disbursement of the cash payment financing category*);
- (b) Development and installation in all project entities of an MIS to (a) capture the information of beneficiaries, (b) serve as the basis for generating the payment instructions (for the payment agent to follow), and (c) generate the required reports on the cash payments (*by disbursement of the cash payment financing category*)⁶⁸;
- (c) Implementation of a set of actions to ensure the transparency of project implementation, including at least: (i) publishing/communicating details of the payment processes; (ii) reconciling the list of beneficiaries generated by project entities and the payment agent; (iii) conducting post-payment verification by an independent agent; and (iv) conducting enhanced monitoring of the CSOs and communities (*during project implementation*);
- (d) Development of an internal audit function to ensure that the project is effectively and efficiently implemented (*during project implementation*);
- (e) Appointment of key FM staff with adequate backgrounds, as part of the PST, to whom training on the project FM and World Bank requirements will be delivered (*by project signing*) and recruiting additional FM consultants (*during project implementation*); and
- (f) Procurement/development of an accounting software/spreadsheet based on the accounting application for the project FM (*6 months after the signing of the financing agreement*).

⁶⁸ These reports will contain information on the number of eligible households, the number of eligible households that receive cash transfers regularly, their balance, and time taken to receive the cash, with disaggregation by R/S, district, and township levels.



Procurement

101. Procurement under the project will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers, dated July 1, 2016, revised in November 2017 and in August 2018, and with provisions stipulated in the Financing Agreement. Under the project, the World Bank's planning and tracking system, Systematic Tracking of Exchanges in Procurement (STEP), will be used to prepare, clear, and update procurement plans and conduct all procurement transactions for the project.

102. **A significant part of the project budget will finance the development of the building blocks of an SP system, the implementation of an MCCT program, and infrastructures.** The volume of procurable activities is envisaged to be low. Procurable activities under the proposed project will include hiring of project management consultants, constructions at the central and township levels, and printing services for guidelines and advisory services. All procurement under the project will be carried out by the DSW's POMT at the union level in the MOSWRR. A dedicated DSW staff constituting the POM team will be responsible for the overall supervision, execution, and management of the project. Where necessary, the team will be beefed up with consultant.

103. **The procurement risk is considered Substantial. There is no legal framework as yet to guide the conduct of public procurement in Myanmar.** A new public procurement law has recently been drafted and in the process of being laid in parliament. Following the transition from a state-directed to market-oriented economy, the Government issued a revised Presidential Tender Directive in 2017 to change the procurement approach from closed to open tender. However, there are no tools including bidding documents to support transactions and procurement entities are in the meantime using bidding documents from variety of sources. Competition on local market can also be challenging as the procurement market is now developing. Further to this, the MOSWRR lacks a dedicated procurement unit, and procurement is carried out by each individual department. The ministry, however, has an Executive Tender Committee (ETC) chaired by the minister and all tender decisions are made by ETC members based on the recommendation of the evaluation committee. Capacity and risk assessment conducted by the World Bank concludes that the DSW does not have adequate capacity and experience to manage procurement even under the Government's own budget. In addition, procurement approval processes of the Government are lengthy and take on average 4–5 months with little delegation to the head of department. All evaluation processes, regardless of value, need to be submitted to the ETC, where the minister provides approvals for contract awards. Staff capacity in procurement in the entire ministry is weak, and there are no specific staff training programs in public procurement. No standard procurement documents and forms of contract are available, and the ones used are adopted from different sources. Above all, the DSW does not have prior experience with the World Bank procurement procedures and no specific assigned staff to carry out procurement activities. To mitigate the risk of using unacceptable bidding documents for the World Bank, the Government is using bidding documents agreed with the World Bank for Bank-funded projects. To ensure good competition for procurement approaching national market, invitation for bids would be published widely in national newspapers as well as the ministry's website. The ministry will also encourage bidders to submit any procurement complaints through a grievance handling mechanism to be established under the ministry for the project. The capacity constraints could result in a large number of procurement-related complaints, delays, and noncompliance. To mitigate these risks, the following actions have been agreed with the MOSWRR: (a) no later than 3 months after effectiveness, the MOSWRR will hire as part of the POMT, a procurement consultant with qualifications and experience acceptable to the World Bank; (b) service standards for processing of procurement have been agreed with the MOSWRR and reflected in the procurement plan; and (c) the



World Bank will provide just-in-time and periodic training for the MOSWRR staff responsible for executive procurement and oversight at key stages of strategic and critical procurement activities.

104. **The DSW has prepared the Project Procurement Strategy for Development (PPSD) to inform fit-for-purpose procurement arrangements in the procurement plan for the first 18 months of implementation.** An international competitive market approach and selection of consultants involving international competition, will be carried out in accordance with the Procurement Regulations for IPF Borrowers. National market approaches (Request for Bids and Request for Quotations) will be carried out in accordance with Government Directive ‘Tender Procedure for Procurement of Civil Works, Goods, Services, Rental and Sale of Public Properties for the sale of Public Properties for Government Departments and Organizations No. 1/2017 dated April 10, 2017’ issued by the GoM although it will be subject to exceptions to be included in the procurement plan. The documents for such procurement will be based on standard documents agreed to with the World Bank.

105. **A procurement plan derived from recommended approaches in the PPSD has been discussed and agreed during negotiations.** The plan specifies in detail the goods, works, and services to be procured under the project, including the cost estimate of each procurement package and an approach to market (procurement method) and time schedule for each activity. The procurement plan will be submitted in STEP and updated annually (or as needed) by the DSW to (a) reflect project implementation, (b) accommodate changes that should be made, and (c) add new packages as needed for the project. All procurement plans, their updates, and any modifications shall be subject to the World Bank’s prior review and its ‘no-objection’ procedures. The World Bank will carry out ex post procurement reviews on an annual basis for World Bank-financed projects in the Myanmar portfolio in accordance with World Bank Guidance: Procurement Post Review, Independent Procurement Review, and Integrated Fiduciary Reviews.

C. Safeguards

Environmental Safeguards

106. **Given the fact that Component 2 will finance minor civil works, including new construction, renovation, and rehabilitation, to support the functioning of the state/region Social Welfare Department and Township Departments in Ayeyarwady and Shan, the project will trigger Operation Policy 4.01 on Environmental Assessment.** No other environmental safeguard policies are triggered. The potential environmental risks and impacts (for example, construction waste, noise, dust and water pollution and so forth) are considered minor and site-specific and are ones where the risks are readily managed through standard operating procedures for small civil works. The Government organized a series of public consultations on the Environmental Code of Practice (ECOP) and the Community Participation Planning Framework (CPPF) in Ayeyarwady region and Shan State in February and March with over 300 participants from line ministries, parliament, media, civil society, and ethnic groups (over 30 percent of the participants were women). Comments and recommendations received at consultations meetings have been incorporated in the final version of the ECOP published in the MOSWRR⁶⁹ and on World Bank

⁶⁹ <https://www.dsw.gov.mm/en/node/2100>



external websites⁷⁰ on May 24, 2019 and the final version of CPPF published in-country and on the World Bank external website on May 23, 2019.^{71,72}

Social Safeguards

107. **The project triggers Operational Policy 4.10 on Indigenous Peoples because the project will operate in townships where ethnic minorities who fulfill the four criteria of the policy are present.** Accordingly, a social assessment has been conducted in Ayeyarwady region and Shan State, as follows: focusing on ethnic minorities and inclusion; identifying groups that are vulnerable due to various factors; assessing impacts of conflict on service provision and access; identifying existing norms on nutrition, prenatal care, and postnatal care; identifying existing and preferred modalities of behavior change communications; identifying existing and preferred modalities for cash transfers; and assessing existing institutional roles and responsibilities for delivery of services. The social assessment identified various risks due to multiple cross-cutting factors, including (a) the risk of exclusion of ethnic and linguistic minorities and vulnerable households, especially in remote and/or conflict-affected areas, from access to benefits or access to communication campaigns; (b) the risk associated with providing cash transfers to women; and (c) the risk of DSW and the World Bank being unable to monitor or supervise activities in certain areas (see section V on key risks). In response, recommendations following the social assessment have been integrated into project design and monitoring arrangements, as well as into the CPPF to fulfill the requirements of the Indigenous Peoples Policy. Some of these mitigation measures include designing project interventions with remoteness, ethnic diversity, and conflict in mind, and offering multiple modalities for cash transfers and communication campaigns; using community volunteers at the community level for facilitation in ethnic languages and culturally sensitive ways; ensuring that information about the MCCT is transparent and consistent in culturally and linguistically accessible ways; setting up an accessible and functioning multitier GRM at village, township, R/S, and union levels; and using third-party monitors for areas where the World Bank Group is not allowed access for supervision. The CPPF also includes a consultation framework to ensure that there are free, prior, and informed consultations at the community level to ensure broad community support for nutrition interventions, and that there is a process for developing community plans to ensure that ethnic minorities, vulnerable groups, and hard-to-reach households will have access to project benefits.

108. **The social assessment and the CPPF were originally disclosed on January 10, 2019.** On February 1, 2019, the DSW held consultations on these in Ayeyarwady region with relevant Government counterparts and CSOs, including ethnic organizations, and in March 2019, in Shan State. Feedback from these consultations have been incorporated into the CPPF before final disclosure by the Government and the World Bank on May 23, 2019^{73,74}.

109. **Component 2 will finance minor civil works, including new construction, renovation, and rehabilitation to support the functioning of the R/S Social Welfare Department and township departments in Ayeyarwady and Shan.** The Government and the World Bank have agreed that any civil

⁷⁰ ECOP: <http://documents.worldbank.org/curated/en/878651558955086375/pdf/Environmental-Codes-of-Practices.pdf>

⁷¹ CPPF: <http://documents.worldbank.org/curated/en/556281558954287083/pdf/Community-Participation-Planning-Framework-for-Ayeyarwady-Region-and-Shan-State.pdf>

⁷² Government website with social assessment, CPPF and ECOP: <https://www.dsw.gov.mm/en/node/2100>

⁷³ <http://documents.worldbank.org/curated/en/556281558954287083/pdf/Community-Participation-Planning-Framework-for-Ayeyarwady-Region-and-Shan-State.pdf>.

⁷⁴ <https://www.dsw.gov.mm/en/node/2100>.



works that would trigger the World Bank's Operational Policy 4.12 will not be eligible for project funding. The civil works locations will be screened according to procedures incorporated in the OM to ensure that the works are being done on Government land that is free of users or claims of any kind. The World Bank will verify the Government's screening of these land plots before any funding is provided for civil works.

Grievance Redress Mechanisms

110. Communities and individuals who believe that they are adversely affected by a WBG-supported project may submit complaints under the existing project-level GRM or the WBG's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaints to the WBG's independent inspection panel which determines whether harm occurred, or could occur, as a result of WBG noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WBG's attention, and Bank management has been given an opportunity to respond. Information on how to submit complaints to the GRS, is available at <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. Information on how to submit complaints to the World Bank Inspection Panel, is available at www.inspectionpanel.org

V. KEY RISKS

111. **The overall risk for the project is considered Substantial.** While macroeconomic risk and sector strategies and policies risk are Moderate, the risk associated with stakeholders is substantial, and the risks associated with political and governance, technical design, implementation capacity, fiduciary matters, and environmental and social factors are High.

112. **Political and governance: High.** There is a high likelihood that political factors could significantly affect achievement of the PDO. **Exclusion:** The project aims to benefit communities through enhanced nutrition interventions, but due to the absence to date of culturally and linguistically appropriate mechanisms to access health care services, communication channels, and participatory mechanisms, there is a risk of exclusion for beneficiaries of some ethno-linguistic groups. Similarly, the social assessment conducted for the project found that households in remote locations face significant challenges for gaining access to services and receiving the benefits of communication activities and campaigns. Each project intervention will need to be designed with remoteness, mobility, ethnic diversity, and conflict in mind, and offer multiple modalities for cash transfers and communication activities and campaigns. Community volunteers can play an important role in this regard, especially if attention is paid to making communications in ethnic languages and in culturally sensitive ways. In addition, as described earlier, monitoring and systematic assessments of inclusion through MIS, GRM, and systematic processes set up for these purposes will help mitigate these risks. **Conflicts:** Some areas are affected by active conflicts and are inaccessible, while others remain outside Government control, and thus ethnic organizations may provide services to the communities. In some other areas people live as IDPs. In some of those areas, there is mistrust of the Government broadening its services, so there is a risk of resistance to implementation, lack of access to project benefits in these areas, or even heightening of tensions or conflict. Getting project benefits to people in these areas and communities requires outreach to, dialogue with, and agreements with ethnic organizations. The DSW's ability to reach out to ethnic organizations is limited. In addition, the project is likely to be implemented in townships where a World Bank Group team would not be able to travel, as has already been experienced in conducting the social assessment for the



project. Setting up a systematic process to monitor and record accessibility issues, due to evolving conflict and/or EAO resistance, will include identification of such barriers and provide a remedy to the lack of access according to predefined protocols, and implementation will be adjusted accordingly. Mobilizing third-party monitors may help ensure adequate supervision. The project will also finance independent assessments on the inclusion of different groups into the project, using MIS, GRM and other data sources, as described earlier. Those findings will include remedies to the situation, wherever possible, and suggest adaptations during the annual discussions with the Social Protection Steering Committee.

113. **Technical design: High.** The technical design of the project is considered complex given the existing stage of development of the SP system in Myanmar and the number of actors involved. The project aims to support the development of key SP building blocks and the rapid expansion of a nutrition-sensitive CCT program in a setting where there has been only limited previous experience in implementing programs. SP is still nascent in Myanmar, and the DSW is progressively building the operational capacity at all levels. Impact evaluations in several country contexts have found that the combination of direct cash transfer, delivery of communications, community outreach, and social support through a community-based platform, and access to essential health and nutrition services, improve nutrition outcomes. Although the technical design of the project incorporates them and adapts them to Myanmar context, the risk is High. Cash transfers will be accompanied by strong social mobilization and community outreach and face-to-face communications delivered through social welfare volunteers. Myanmar's ability to undertake effective COSS is unproven, and with no grass-root level presence, the DSW will be constrained to get this important aspect implemented. The proposal is to use village-based volunteers to be supervised by village-level SPCs, but recruiting such volunteers in hundreds of villages, ensuring that they carry out COSS activities of required quality and inclusiveness, regularly, and monitoring these hundreds of volunteers, is likely to pose serious challenges. The DSW township staff in project areas has been already appointed and will be deployed at township level by end of September 2019. DSW township staff will mobilize the V-SPC formation by December 2019. The first task of V-SPC will be to recruit the volunteers and complete the recruitment by early 2020. The readiness of health facilities and health services is uneven in Ayeyarwady and Shan, and effective access to essential health services remains a challenge. The MOHS, guided by the National Health Plan 2017–2021, is focused on strengthening primary health care to deliver essential services for mothers, newborns, and children. Obtaining synergies between these three aspects is a critical prerequisite for success, but strengthening such synergies and coordination presents significant challenges. Given the responsibility of frontline health providers, this could pose a serious risk to project success. The process evaluations of the LIFT-supported MCCT, which combines cash and behavior change communications, show promise for the delivery modality in Myanmar. However, iterative project monitoring and adaptation will be needed to mitigate design risks and respond rapidly to lessons learned throughout implementation. IDA-financing of health in Myanmar EHSAP, will continue to focus on improving supply-side readiness at the frontlines by supporting operational and maintenance budget and enhancing critical skills of the midwives nationwide. Under the additional financing of EHSAP (under preparation), the project will focus on Ayeyarwady and Shan (geographical convergence with this project) and invest in the fully functional health service delivery infrastructure at primary health care level, especially getting the frontlines facilities ready to deliver quality maternal, newborn, and child health, and nutrition services. The EHSAP-AF is being proposed for implementation from April 2020 to September 2024, overlapping the MCCT expansion financed under this project.

114. **Institutional capacity for implementation and sustainability is considered High Risk.** Weak implementation capacity (in terms of numbers and technical competencies) to carry out cash transfers and communications programs at the R/S and township levels is a high risk. Operationally, effective



delivery for the MCCT program and behavior change communications is highly dependent on implementation capacity at the community level. This risk will be mitigated by the DSW appointing and maintaining, throughout project implementation, needed staff at all levels to support the implementation, supervision, M&E of the project activities. In addition, the project will also support the DSW to mobilize, train, and utilize a grassroots network of the VCSW at the village level who will support the DSW staff on the ground with implementation and social mobilization. Communications at the community level are a critical element of the project strategy and a track record of successful communication campaigns resulting in positive behavior change is weak. These risks will be mitigated with extensive capacity building from the team and DPs to enhance implementation capacity. ICT innovations will also be utilized in the project areas to support behavior change communication, implementation oversight, and monitoring and reporting.

115. **The implementation capacity of the MOSWRR at the union level to carry out cash transfers is also a High risk.** Implementation experience is emerging from the delivery of a social pension program using similar institutional arrangements and the rollout of the MCCT program in Chin, which was begun in September 2017, later expanded in Rakhine in early 2018, and in Kayah and Kayin States in October 2018. Human resource capacity in the MOSWRR is a considerable risk and a binding constraint. The ministry is in the process of recruiting staff in the R/S and township officials, providing an opportunity to increase their local presence over time. However, the MOSWRR does not yet have township-level offices and lacks trained people on the ground to implement the MCCT, so this will take time. The new implementation mechanisms, including payment, verification, information management, monitoring, and co-responsibilities will require additional capacity and engagement at the local level. Support will be provided under the project to develop these important building blocks and information systems to be able to regularly inform and improve implementation. While increasing personnel for the DSW is considered to be a counterpart contribution and an expanded organization structure was approved, it will still take time to get fully implemented. As a mitigation measure, the project is expected to finance the recruitment of project staff at the union level. At R/S and township level, additional staff would be appointed to work on support project implementation.

116. **Fiduciary risks are High, given the capacity constraints and the inclusion of cash transfers and community-level communications and social mobilization.** The DSW does not have experience with the World Bank procurement procedures and no specific assigned staff to carry out procurement activities. To address the capacity constraints, the project will finance the hiring of a procurement consultant, setting service standards for processing procurement and training of procurement staff. The FM risks associated with cash transfers are associated with the inherent risk of leakage, and strong fiduciary and monitoring arrangements will be necessary to mitigate this risk. For instance, reporting for the ongoing social pensions programs (which is similar to the one proposed for the MCCT) is paper-based and highly decentralized, making timely monitoring very challenging. Investments in developing an appropriate MIS and mechanisms for field-based monitoring will be required to mitigate this risk. The project will explore all options available in the provision of payments, including digital and mobile payments, where funds flows are more transparent and easier to track. To mitigate these risks, extensive capacity-building training in FM and project management will be provided, and the project will rely, when needed, on external consultants (for example, during the first phase of implementation) to fill some key fiduciary roles and responsibilities. For the MCCT, clear guidance and procedures will be developed. The contract with payment agents will clearly specify the roles and responsibilities of such agents. These conditions, together with having in place a MIS module on beneficiaries' payrolls, both satisfactory to the World Bank, will be conditions for disbursement of the cash transfers.



117. **Environmental and social risk is considered High.** The project focuses on promotion of optimal nutrition practices through a combined approach of cash transfer and community-level communications. The environmental risk is Moderate because the project will finance the building of several DSW offices at the union, R/S, district, and township levels. On the social side, the risk is High and multifaceted, including the following: (a) the risk of exclusion of ethnic and linguistic minorities and vulnerable households, especially in remote and/or conflict-affected areas, from access to benefits or access to communication campaigns; (b) the risk that may arise from providing cash transfers to women and altered dynamics within the household; and (c) the risk of DSW and the World Bank Group being unable to implement, monitor, or supervise these activities in certain areas due to conflict and/or lack of control—for instance, in areas under the control of the EAOs.

118. **Because the project will involve cash transfers, it will be crucial to communicate that there is a transparent, fair, and consistent system in place to monitor implementation and gather feedback from beneficiaries in culturally and linguistically accessible ways.** Setting up an accessible and functioning GRM will help mitigate the risk of raising concerns by those who feel excluded or who feel that cash is being mismanaged. Certain areas are so remote that women do not have the means to use cash to procure different, nutritious food (such as subsistence economy villages where the nearest market is hours away). In addition, the social assessment has found that use of alcohol among men is a widespread issue. In such conditions, providing cash to women can generate potential tension on how money is spent in the household, including risk of gender-based violence. While these risks are important and common to many developing countries, cross-country meta-analyses find almost universally that cash transfer income is not spent on so-called ‘temptation goods’ and that the balance of evidence is that CCT helps to reduce gender-based violence rather than exacerbate it (Evans and Popova, 2014⁷⁵ on temptation goods, and Buller et al. 2018 on CCTs’ role in reducing gender-based violence). Mapping of service providers for gender-based violence will be conducted, and including these in the communications campaigns and grievance procedures will provide options for support to women. Effective communication and constant monitoring would be critical to mitigate those risks. The project would also finance the development of tools to systematically assess exclusion and a protocol for intervention.

119. **Stakeholder risks are Substantial.** The project supports a recent new program which requires strong commitment and coordination among several actors at different levels to deliver results. The stakeholders include the line ministries responsible for the nutrition-specific and nutrition-sensitive services and interventions, and their respective departments at the R/S and township levels, the R/S governments, the EAOs and their respective service delivery arms, donors, private sector, NGOs, and CSOs. To mitigate this risk, the project has carried out consultations with these stakeholders and during implementation will continue to rely on the strategic guidance provided by the National Social Protection Steering Committee and by the MS-NPAN. The MS-NPAN was prepared with input from multiple stakeholders; the coordination and collaboration were facilitated by SUN networks of donors and NGOs/civil body organizations that are working across the countries, in both conflict and non-conflict areas. Furthermore, during implementation, the project will finance regular coordination meetings at all levels to foster effective collaboration. The World Bank team will also provide significant assistance to bolster coordination among key stakeholders through regular missions and joint reviews. For IDPs and populations in nongovernment-controlled areas, there will be a greater set of stakeholders—the EAOs

⁷⁵ Evans, D.K.; Popova, A. 2014. Cash Transfers and Temptation Goods: A Review of Global Evidence. Policy Research Working Paper; No. 6886. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/18802>
License: CC BY 3.0 IGO.



and civil body organizations—to involve, and as such, the project will intensify in these areas its support to facilitate dialogue, consultation, and coordination.



VI. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Myanmar

Maternal and Child Cash Transfers for Improved Nutrition Project

Project Development Objectives(s)

The proposed Project Development Objective is to expand access to the Cash Transfer Program, to improve selected nutrition behaviors in priority target areas, and enhance the MOSWRR's capacity to deliver social protection programs.

Project Development Objective Indicators

Indicator Name	DLI	Baseline	End Target
Expand access to the MCCT program			
Beneficiaries of social safety net programs (CRI, Number)		0.00	678,000.00
Beneficiaries of social safety net programs - Female (CRI, Number)		0.00	611,000.00
Improve selected nutrition behaviors in priority target areas			
Share of children 6-23 months from MCCT beneficiary households consuming foods from four or more recommended food groups (Percentage)		0.00	32.00
Enhance MOSWRR's capacity to deliver effectively social assistance programs			
Share of DSW offices considered functional to deliver social protection (Percentage)		0.00	80.00
Share of township offices that update the beneficiary registry in the MIS every payment cycle (Percentage)		0.00	90.00



Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	End Target
Component 1. Stimulating demand for good nutrition in the first 1,000 days in selected priority areas			
Share of MCCT beneficiaries' households attending regularly information and motivation sessions from community outreach and social support (COSS) (Percentage)		0.00	70.00
Percentage of MCCT beneficiaries pregnant women who received ante natal care 4 times or more (Percentage)		0.00	55.00
Share of female direct cash transfer recipients who report increased decision-making power on major spending decisions for the household (Percentage)		0.00	50.00
Share of MCCT beneficiaries reached by cash transfer within one week of scheduled payment date (Percentage)		0.00	70.00
Share of villages in project areas with no cash transfer where protocol to assess reason for non-inclusion was followed and prescribed remedial action taken (Percentage)		0.00	80.00
Component 2. Enhancing MOSWRR's capacity to implement social protection programs			
Modular Management Information System (MIS) developed (Yes/No)		No	Yes
Share of grievances addressed and/or resolved within the stipulated service standards for response times (Percentage)		0.00	80.00
Share of designated project personnel using prescribed data entry processes on smart phones to report on the required field and community activities (Percentage)		0.00	80.00
Share of villages that have regular social protection committee meetings (Percentage)		0.00	85.00
Protocols for assessing and addressing exclusion in MCCT program developed (Yes/No)		No	Yes
Number of MCCT program independent evaluation implemented		0.00	4.00



Indicator Name	DLI	Baseline	End Target
(Number)			

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries of social safety net programs		Quarterly	Progress Report	MIS based on MCCT beneficiaries registered into the program throughout the program implementation in the priority areas, and receiving at least one transfer. Unique identification numbers will be generated for pregnant mothers and for children; each mother and her child are counted as one beneficiaries for the purpose of this indicator. The data reported would be cumulative over the entire period.	Project Operations and Management Team



Beneficiaries of social safety net programs - Female		Quarterly	Quarterly Report	MIS	Project Operations and Management Team
Share of children 6-23 months from MCCT beneficiary households consuming foods from four or more recommended food groups	<p>This indicator will be to measure the MCCT beneficiaries improvement in nutrition behaviors as a result of receiving a combination of cash transfer and COSS.</p> <p>The numerator would refer to the total number of children between 6 to 23 months from MCCT beneficiary households consuming four more recommended food groups (WHO definition) in the selected areas. The denominator would refer to the total number of children 6-23 months from MCCT households in the selected areas.</p> <p>The target indicator is weighted to account for State/Region differences.</p>	Every two years	Household Survey	Household Survey	Project Operations and Management Team
Share of DSW offices considered functional to deliver social protection	The objective of this indicator will be to measure the functionality of DSW at central and R/S and	Once a year	Progress report	Score cards	POMT



	<p>township level to deliver the proposed social protection programs.</p> <p>A score card will be used to assess objectively the functionality of the offices and will include the following dimensions: HR both in terms of numbers, functions, and training, infrastructure, equipment, electricity and internet availability, instruments to support the work operational (i.e. information systems). Based on these dimensions an indicator will be developed and specified in the OM.</p> <p>The numerator will be measured by the number of offices that are classified by the score card as being functional. The denominator will be the total number of offices.</p> <p>At sub-national level the scorecard will be applied to MCCT project areas only.</p>				
<p>Share of township offices that update the beneficiary registry in the MIS every payment cycle</p>	<p>The objective of this indicator is to measure the utilization of delivery instruments like the MIS</p>	<p>Every quarter</p>	<p>Progress Report</p>	<p>MIS</p>	<p>POMT</p>



	<p>which are expected to increase effectiveness of project implementation. The numerator would be the number of township offices in priority areas in which the MCCT program is operational that update the beneficiary registry in the MIS every payment cycle and the denominator the total number of township offices in priority areas in which the MCCT program is operational.</p>				
--	--	--	--	--	--

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Share of MCCT beneficiaries' households attending regularly information and motivation sessions from community outreach and social support (COSS)	This indicator is meant to measure the regular attendance to community outreach and social support sessions. Numerator: Number of MCCT beneficiaries' households attending regular (as defined in the Operational Manual) information and motivation sessions from Community Outreach and	Quarterly	MIS	MIS	Project Operations and Management Team



	Social Support (COSS) in the selected priority areas. Denominator: Number of MCCT beneficiaries households in the selected priority areas.				
Percentage of MCCT beneficiaries pregnant women who received ante natal care 4 times or more	This indicator's objective is to measure the uptake of health services by MCCT beneficiaries, in particular focusing on ante-natal care in priority areas. The numerator will be the number of MCCT beneficiaries pregnant women who received ante natal care 4 times or more in the priority areas and the denominator the total number of MCCT beneficiaries pregnant women in the priority areas.	Quarterly	Progress Report	MIS and Health Management Information System (HMIS)	POMT
Share of female direct cash transfer recipients who report increased decision-making power on major spending decisions for the household	The numerator would be the MCCT female beneficiaries who report increased decision making power on major spending decisions for the household in the selected priority areas. The denominator would be the total number of MCCT female beneficiaries in the selected	Every two years	HH survey	Household survey	POMT



	priority areas.				
Share of MCCT beneficiaries reached by cash transfer within one week of scheduled payment date	This indicator is meant to capture the efficiency of project delivery payment systems, specifically payment systems in the selected priority areas. This indicator will measure the timeliness of the cash transfer in terms of when is made available to the beneficiaries in the selected areas. The cash transfer frequency might vary across the selected state and region. The cash collection by beneficiaries will not be measured by this indicator. The numerator will be the number of MCCT beneficiaries that receive cash transfer within one week of scheduled payment (as per OM) in the selected priority areas and the denominator will be the total number of MCCT beneficiaries in the selected priority area.	Quarterly	MIS system, where reached by cash transfer with distribution at village level or electronic payment, regardless from the utilization of the cash- basically cash received as per provision of the OM.	Progress report	Project Operations and Management Team
Share of villages in project areas with no cash transfer where protocol to assess reason for non-inclusion was followed	This indicator will measure the capacity and efforts of the program to be inclusive	Quarterly	Progress Report	Project Operations and Management Team as part of project	Project Operations and Management Team



and prescribed remedial action taken	across space in the selected priority areas. The numerator will be the total number of of villages with no cash transfer in the project selected area for each payment round, where protocol to assess reason for non-inclusion was followed and prescribed remedial action taken. The denominator is the total number of villages with no cash transfer in the project selected areas for each payment round. The OM will detail the protocol to be followed for assessing and addressing inclusiveness of the program in selected priority geographic areas of intervention.			supervision process	
Modular Management Information System (MIS) developed	MIS module developed as per operation manual sequencing, with intermediate modules developed over the years.	Quarterly	Progress report	Progress report	POMT
Share of grievances addressed and/or resolved within the stipulated service standards for response times	This indicator is meant to capture the efficacy of project delivery systems, specifically the grievances redress mechanism which will capture grievances or	Quarterly	MIS	Progress report	POMT



	<p>perceived irregularities. Stipulated service standards for response times will be outlined in the Project Operations Manual.</p> <p>Numerator: total number of grievances cases from MCCT program addressed in accordance to established protocol.</p> <p>Denominator: Total number of grievance cases received from MCCT program.</p>				
Share of designated project personnel using prescribed data entry processes on smart phones to report on the required field and community activities	<p>This indicator will measure the use of ICT in the operation of key social assistance programs. The numerator is the number of designated MCCT project personnel using prescribed data entry processes on smart phones to report on the required field and community activities in the project selected areas where MCCT is operational. Denominator is the number of designated MCCT project personnel in the project selected area where MCCT is operational.</p>	Quarterly	MIS	Progress Report	POMT
Share of villages that have regular social protection committee meetings	Numerator would be the Number of villages in which	Quarterly	Progress report	Progress report	POMT



	MCCT is operational that have regular social protection committee meetings as per definition of OM. Denominator: Total number of villages in which the MCCT is operational. In areas not controlled by Government the social protection committee would refer to community committee meetings.				
Protocols for assessing and addressing exclusion in MCCT program developed	The objective of this indicator will be to provide DSW with protocols for assessing and addressing exclusion in the implementation of the MCCT program. The protocols will be specified in the OM in their application to Shan and Ayeyarwaddy. The protocols can also more in general expand the toolkit for monitoring and evaluation capacity of DSW, and thus intended as building blocks for strengthening social protection systems.	Quarterly	Progress Report	Progress Report	POMT
Number of MCCT program independent evaluation implemented	This indicator will measure the independent evaluation implemented for the	Yearly	MIS	Progress report	POMT



	<p>program MCCT. These evaluations will review the entire implementation capacity of the program, including inclusion issues. The plan will be to conduct at least one per year. Those evaluations will inform program implementation or, in the case of the final evaluation, focus mostly on project outcomes.</p>				
--	--	--	--	--	--



ANNEX 1: IMPLEMENTATION ARRANGEMENTS AND SUPPORT PLAN

1. The proposed project will not only strengthen existing institutional arrangements but also expand mechanisms at all levels, union, Region(s)/State(s) (R/S), and township levels, to implement the Maternal and Child Cash Transfer (MCCT) and other Social Safety Net (SSN) programs. The Department of Social Welfare (DSW) within the Ministry of Social Welfare, Relief and Resettlement (MOSWRR) has overarching responsibility for the oversight and coordination of SSN programs at the national level and for monitoring progress toward achieving their goals. Because the DSW has had no experience managing IDA-financed projects with the World Bank, early investments in capacity building will be made with financing from Component 2. The proposed project will build operational and technical capacity within the DSW at the central and local levels, complemented by Technical Assistance (TA) from World Bank Group on the strengthening of the Social Protection (SP) system.

2. A dedicated Project Operations and Management Team (POMT) at the union level, led by the director of the DSW and staffed approximately with 4 DSW staff and 10–12 contracted project staff, will lead project implementation, supervise implementation in Ayeyarwady and Shan, oversee the investment in strengthening the national SP system, and monitor and evaluate the project. The number of contracted union-level project staff is expected to taper off after the first two years of implementation as the DSW’s own manpower achieves full strength (they already received approval on request for new positions and will start recruitment processes soon). It is expected that the POMT will be operational by effectiveness. The recruitment of key contracted project staff at union level (procurement, Financial Management (FM), M&E, and communication and training support) would be completed before implementation begins. At the R/S level, PSTs, led by the region/state DSW director and staffed with the DSW personnel, will be responsible for managing and overseeing day-to-day project implementation at the subnational level, including providing assistance with operationalizing the data system and FM (see figure 1.1.). The PST will have to be operational and adequately trained before the MCCT expansion initiates at R/S level. In conformity with the objective of sustainability, both the POMT and the Project Support Team (PST) will be mainstreamed into the Government structure with clearly designated DSW officials and personnel, along with necessary external TA (mostly national consultants). At the township level, three new DSW staff will be recruited and designated to implement the MCCT program. These DSW personnel at the township level will regularly supervise village-level activities, such as beneficiary identification and enrollment, compliance verification, Community Outreach and Social Support Sessions (COSS) sessions, and complaints response. These DSW personnel will be appointed and receive adequate training before implementation of the MCCT at the township level starts.

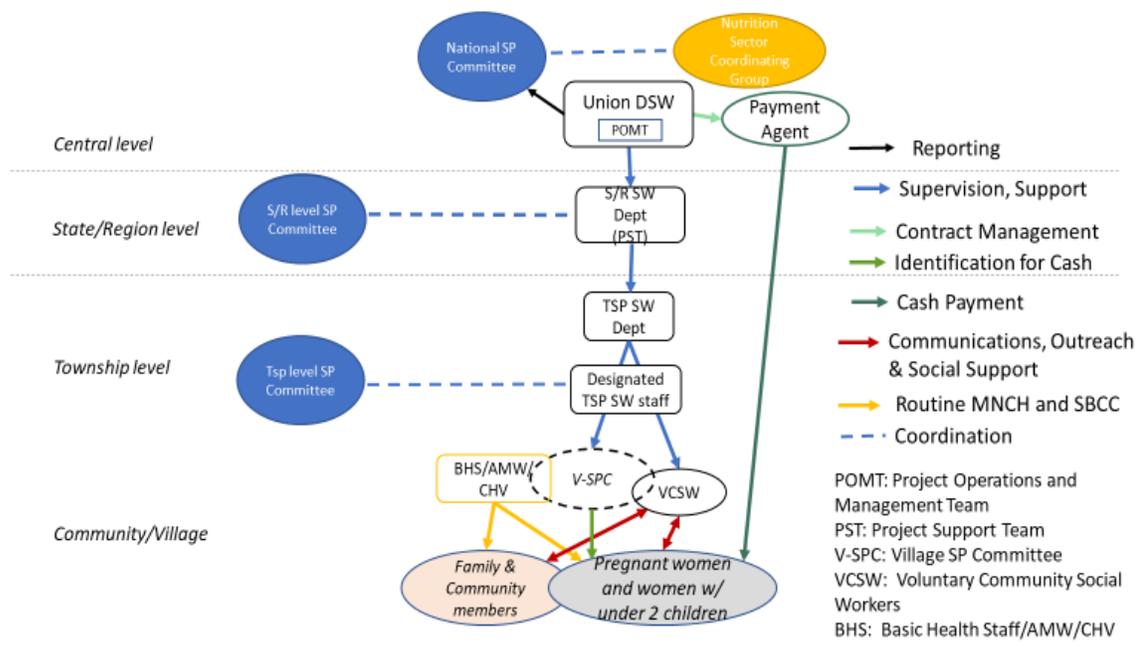
3. The National Social Protection Steering Committee will provide critical leadership and guidance on the implementation of the MCCT, through biannual meetings. The POMT will report to the Executive Committee of the MOSWRR. At the R/S and township levels, multisectoral Social Protection Committee (SPCs) will be set up and will meet every quarter at the R/S level and every two months at the township level. At the village tract level, the project will finance the convening of Village Tract Social Protection Committee (V-SPCs) which, through their regular meetings and activities, will support the day-to-day implementation of the program. The V-SPC, formed by the community with representatives from local administration, village elders, women, health and education workers, women’s group representatives, and so forth, will serve as the lowest-level community-based platform and will play a key role in program mobilization, beneficiary identification and enrollment, and operating their feedbacks and complaints response mechanisms. The V-SPC, with its diverse and appropriate membership, will support synergy and collaboration across different sectors. Its actions will include supporting identification and enrollment of beneficiaries; providing facilitation and oversight of cash payments in areas where digital payment



is not feasible; supporting the Voluntary Community Social Workers (VCSWs) in organizing monthly COSS sessions in the villages; checking and endorsing the COSS session attendance by the beneficiaries; and implementing a complaints/feedback mechanism at the village level through a dedicated complaint focal person per established guidelines in the OM.

4. At the community level, the MCCT program implementation (cash plus COSS) will be complemented by health and nutrition services delivered by the MOHS and other DPs and international NGOs. The VCSWs, mobilized and financed under the project, will be critical in ensuring timely implementation of the MCCT program, focusing particularly on social mobilization and COSS at the village level. The VCSWs will support active participation by basic health staff in the V-SPC meetings and COSS sessions, assist mothers in seeking timely health care and nutrition services, and encourage outreach and Social Behavioral Change Communication (SBCC). The V-SPC will help the VCSW in organizing community outreach sessions, facilitating scheduled outreach health visits by the basic health providers and ensuring transportation of beneficiaries to facility-based health and nutrition services.

Figure 1.1. Proposed Implementation Arrangements for the Project in Government-controlled Areas



5. From a project implementation perspective, there are five general categories of relevant areas in Shan state: (a) Government-controlled areas with no active conflict; (b) areas under active conflict either between the military and the Ethnic Armed Organizations (EAOs) or between EAOs; (c) areas under nongovernment control; (d) self-administered areas; and (e) temporary shelters for the IDPs. Given this complexity, project implementation arrangements—particularly at the local level for delivery, monitoring, and oversight of project activities—will have to be adaptive and sufficiently take into account the individual context of each respective area. For example, at the community level, this may mean modifying the designation and composition of the village committees the procedures used for selection, training, and supervision of village volunteers; the model selected for delivery of health and nutrition services; and so forth.



6. In brief, implementation arrangements in areas apart from Government-controlled areas with no active conflict are anticipated to be along the following lines (see figure 1.2).

- **Areas with active conflict.** The project will put in place a mechanism at the state level to conduct regular and joint reviews of the status of conflict, security, and access issues at the township and sub-township level. This mechanism will take the form of quarterly state-level meetings⁷⁶ where participation is assured to all members of state SPCs, state government, local Civil Society Organization (CSOs), EAOs (where possible) and organizations linked to EAOs, and so forth.⁷⁷ Participants in the meetings will review and make recommendations on which areas are considered safe for project implementation and which areas should halt implementation until further review. In making a recommendation, they will consider two main criteria: (a) whether the area in question is safe for personnel and volunteers to travel; and (b) whether the pre-identified and agreed third-party actor has access to the area to implement and monitor project activities. If both criteria cannot be satisfied, the project will not undertake activities in those areas, but will continue to monitor the security situation.
- **Areas under nongovernment control.** The EAOs control some of the areas where the project will work. While the EAOs will not be directly implementing the project, regular and ongoing consultations, led by the DSW, with the EAOs during project implementation is very important: first, to explore their willingness to allow beneficiaries living in their areas to benefit from the project; second, if the EAOs express willingness, to identify contextualized approaches of delivering project benefits to the beneficiaries living in these areas. These can include, for example, implementing project activities through trusted organizations such as local ethnic and community-based organizations and NGOs; third, to identify and agree on third-party monitoring arrangements in these areas, and fourth, to get access by implementers and third parties for monitoring areas where the EAOs have control. If the EAOs agree to have project implemented in areas under their control, such agreement will be recorded through signed meeting minutes of the decision and/or a formal letter from the EAOs/organizations linked to the EAOs addressed to the DSW, through which the EAOs will grant access to project implementers and third parties for monitoring and confirm that beneficiaries living their controlled areas can participate in the project and benefit from the project (see figure 1.2.).
- **Self-administered areas.** Relationships, trust, and collaboration often varies between the Government and the local authorities of the five self-administered areas. Relations and access are not a problem in the Pa-Oh, Palaung, Danu, and Kokant areas, where public service delivery mechanisms already exist. There is only limited access in the Wa region, as currently four out of six townships in the area are off limits to the Government, but the DSW has already begun discussions with the Wa authorities.⁷⁸ Following similar principles as are utilized in interacting with the EAOs, tailored approaches in these self-administered areas, particularly in Wa, will be identified and developed in dialogue and consultation with the local administrations, state government, and local

⁷⁶ More details on the organization of the quarterly meetings will be set forth in the OM.

⁷⁷ Moreover, the World Bank Group team will be using the conflict monitoring system that the World Bank is setting up with a local organization.

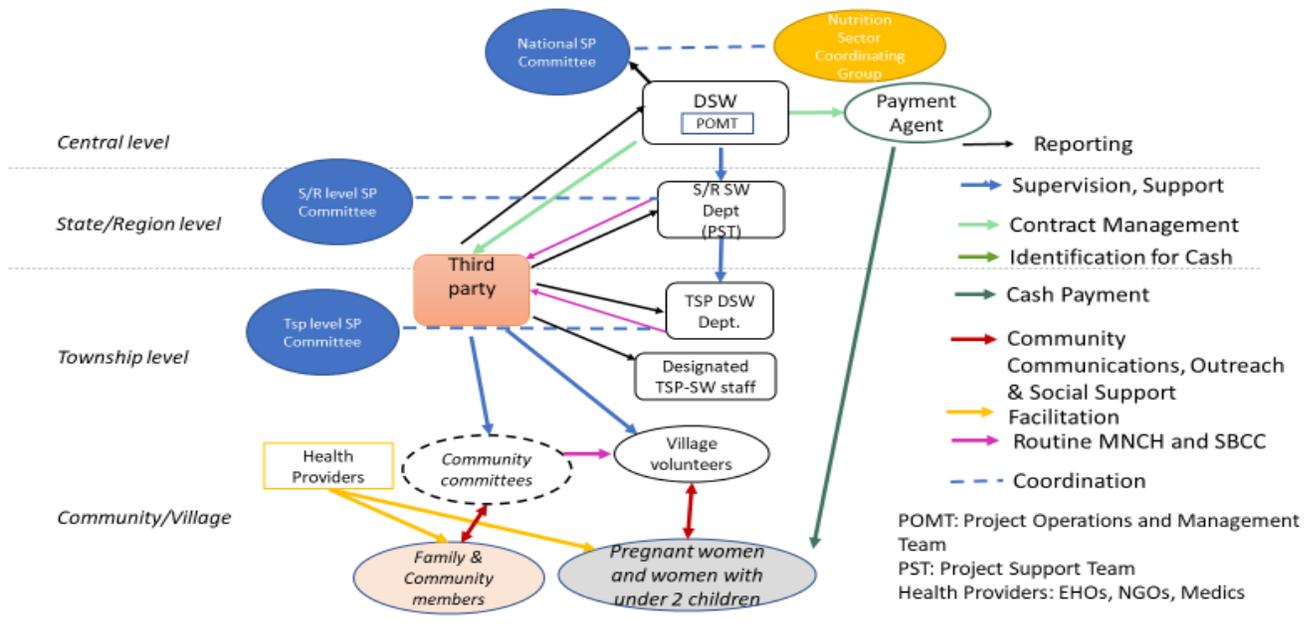
⁷⁸ Implementation modality and actors will be identified and agreed based on the dialogue—for example, it may be through a trusted NGO already operating in the Wa region or through authorities from a social department of Wa implementing a third-party monitoring arrangement.



CSOs. If the local authorities in these self-administered areas agree to have the project implemented in their areas, such an agreement will be recorded through signed meeting minutes of the decision, and/or a formal letter from the local authority addressed to the DSW, through which the local authority will grant access to project implementers and third parties for monitoring and confirm that beneficiaries living their areas can participate in the project and benefit from the project. Depending on the outcomes of these dialogues, third-party monitoring will be instituted in some areas.

- IDP shelters.** Approximately 15,000 IDPs are living in 75 temporary shelters in Shan North. Unlike in Rakhine, they have no limitation on movement while they are residing in these shelters. Being mindful of the discussions on permanency of camps and the level of vulnerabilities of people living in confined setting for nutrition outcomes, the project will provide benefits to women and children in these shelters as a temporary solution for a population at high risk of malnutrition. To ensure acceptability of cash transfers and COSS sessions in this population, consultations with the local authorities, shelter management committees, Internally Displaced Person (IDP) representatives, Development Partner (DPs), and key stakeholders involved in supporting IDP will be undertaken to identify a neutral, appropriate, and trusted mechanism for delivery of cash and COSS sessions within this setting—for example, through United Nations agencies, CSOs, and international and national NGOs. The project will coordinate with the UNHCR and follow the UNHCR’s operational guidance for supporting internally displaced people in Myanmar.

Figure 1.2. Proposed Implementation Arrangements for the Project in Nongovernment-Controlled Areas





Financial Management

7. A High FM risk rating was assigned to the project. The following key risks have been identified: (a) payment may be made to the wrong beneficiaries with the wrong amount in the wrong time (delayed) and not reported promptly, and (b) the project staff may not have the necessary experience and expertise to manage the project.

8. The main actions required are described in table 1.1.

Table 1.1. FM Action Plan

Action	Responsibility	To Be Completed By
Development of a POM setting out the guidance for project implementation and procedures for cash payment	DSW	Disbursement of the cash payment financing category
Development and installation in all project entities of an MIS to (a) capture the information of beneficiaries; (b) serve as a basis for generating the payment instructions (for the payment agent to follow); and (c) generate the required reports on the cash payments	DSW	Disbursement of the cash payment financing category
Implementation of set of actions to ensure the transparency of the project implementation	PST	Project life
Use of an internal audit function to ensure that the project is effectively and efficiently implemented	PST	Project life
Appointment of the key FM staff with adequate background to whom training on the project FM and bank requirements will be delivered	DSW	Project Signing
Procurement of an accounting software for project FM	PST	6 months after the project signing

9. The DSW will have overall responsibilities for the management of the project, including financial management. A PST will be established under the DSW and will be responsible for overall project coordination, disbursement, accounting, financial reporting, and auditing. The PST will be responsible for ensuring the effectiveness and efficiency of internal controls at the lower levels (R/S and township) including the designing of the project FM and providing FM guidance and support to the project implementing agencies.

10. The project financial statements will be audited by the Office of Auditor General in accordance with terms of reference acceptable to the World Bank Group and will need to be submitted within nine months after the end of the period covered by the financial statements. The audited financial statements shall be made publicly available.

11. The Interim financial reports (IFRs) will be prepared by the PST every six months and will be sent to the World Bank Group within 60 days of the end of each quarter. The project IFRs shall be made publicly available. The template will be defined in the POM.

12. Because the project will involve payment of cash to eligible beneficiaries, the following measures have been proposed to ensure that the payments are made to the right beneficiaries, at the right time, with the right amount:



- Development and installation in all project entities of an MIS to (a) capture the information of beneficiaries, (b) serve as the basis for generating the payment instructions (for the payment agent to follow), and (c) generate the required reports on the cash payments
- Segregation of functions of targeting (and maintaining the lists) of beneficiaries, payments, and verification
- Implementation of a set of actions to ensure the transparency of the project implementation including at least (a) publishing/communicating of the targeting and payment processes, (b) reconciling the list of beneficiaries generated by project entities and the payment agent, (c) ensuing the post-verification by an independent agent, and (d) having enhanced monitoring conducted by the CSOs and communities
- Setting up of an internal audit function to ensure that the project is effectively and efficiently implemented

Disbursements

13. ‘Eligible expenditure’ means the reasonable cost of goods, works, services, and cash payments to eligible beneficiaries required for the project, all in accordance with the legal agreement.

14. The POMT will open a designated account (DA) at the Myanmar Economic Bank (MEB). The DA will be denominated in U.S. dollars. The DA will be managed by the POMT. The ceiling of DA will be variable based on six months disbursement projection. Supporting documentation required for documenting eligible expenditures paid from the DA will be the Statement of Expenditure. The frequency for documenting expenditures paid from the DA will be quarterly. The reimbursement, special commitment, and direct payment disbursement methods will be used. The minimum application size for reimbursements, special commitments, and direct payments will be US\$100,000 equivalent. The Mandatory Direct Payment method will be used for the project. The recipient will be required to use Direct Payment or Special Commitment disbursement methods for disbursement under contracts for goods, works, non-consulting services and consulting services procured/selected through international open or limited competition, or direct selection, as set out in the procurement plan.

Table 1.2. Credit Allocated for Eligible Expenditures

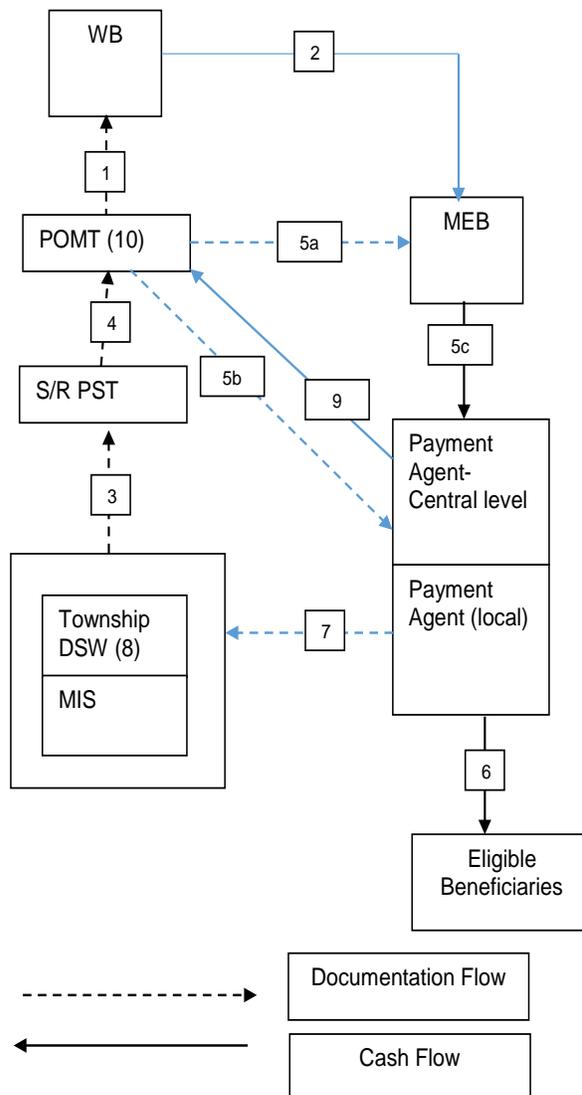
Category	Amount of the Credit Allocated (US\$)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, works, non-consulting services, consulting services, training and operating costs under the project (except for Comp. 1.2 and 3 of the project)	13,000,000	100%
Cash transfers under Subcomponent 1.2 of the project	87,000,000	100% of the cash transfer
Emergency Expenditures under Component 3 of the Project	0	100%
TOTAL AMOUNT	100,000,000	



15. The project will have a disbursement deadline date of four months after the closing date. This is the final date on which World Bank will accept applications for withdrawal from the recipient or documentation on the use of credit proceeds already advanced by the World Bank. This 'grace period' is granted to permit orderly project completion and closure of the credit account through the submission of applications and supporting documentation for expenditures incurred on or before the closing date. Expenditures incurred between the closing date and the disbursement deadline date are not eligible for disbursement, except as otherwise agreed with the World Bank.

16. **Funds flow arrangement.** Figure 1.3 shows the proposed fund flow from the World Bank to the DA of the POMT for Component 1.

Figure 1.3. Fund flow from the World Bank to the DA of POMT for Component 1





Step 1– Step 2: Fund flow from World Bank to the project’s DA

- Step 1: POMT sends Withdrawal Application to World Bank
- Step 2: World Bank transfers funds to the DA at the MEB

Step 3–Step 6: Fund flow from the project’s DA to the eligible beneficiaries

- Step 3: Township DSW generates the list of eligible beneficiaries using the MIS and sends to R/S PST
- Step 4: R/S PST consolidates the list of eligible beneficiaries (and reconciles with the MIS) for the R/S and sends to PST
- Step 5(a): POMT sends request of payment to the MEB to transfer the funds to the Payment Agent
- Step 5(b): POMT sends payment instructions (based on the lists of beneficiaries sent from R/S PST which are reconciled with MIS to Payment Agent
- Step 5(c): MEB transfers funds to Payment Agent
- Step 6: Payment Agent makes payments to eligible beneficiaries

Step 7–Step 10: Documentation flow of payment reports

- Step 7: Payment Agent sends the report of payments made (to the township eligible beneficiaries) to township SW division
- Step 8: Township DSW updates the MIS on the payments made
- Step 9: Payment Agent sends the report of payment (to the eligible beneficiaries of the entire projects) made to the POMT
- Step 10: POMT reconciles the reports of payment made with MIS

17. For the cash payment, the following will be applied:

- (a) Supporting documentation will be the IFRs generated by the PST using the developed MIS.
- (b) The frequency of advance and replenishment of DA will be quarterly.

18. Details of the fund flow arrangements of the project including the one for the eligible expenditure other than cash payments will be documented in the POM.

Procurement

19. Procurement under the project will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers, dated July 1, 2016, revised November 2017 and August 2018, and provisions



stipulated in the Financing Agreement. Under the project, the World Bank's planning and tracking system, STEP, will be used to prepare, clear, and update procurement plans and to conduct all procurement transactions for the project.

20. A significant part of the project budget will finance development of the building blocks of a SP system and the implementation of an MCCT program. The volume of procurable activities is therefore envisaged to be low. Procurable activities under the proposed project will include contracts for agents to carry out cash transfers, project management consultants, construction at the central and township levels, printing services for guidelines, and advisory services. Procurement under the project will be carried out by the DSW in the MOSWRR. A devoted DSW team will be responsible for the overall supervision, execution, and management of the project.

21. **The procurement risk is considered Substantial.** The MOSWRR lacks a dedicated procurement unit, and procurement is carried out by each individual department. The MOSWRR, however, has an Executive Tender Committee (ETC) chaired by the minister, and all tender decisions are made by ETC members based on the recommendation of the evaluation committee. Capacity and risk assessment conducted by the World Bank concludes that the DSW does not have adequate capacity and experience to manage procurement even under the Government's own budget. In addition, the procurement approval processes of the Government are lengthy and take on average 4–5 months with little delegation to heads of department. All evaluation processes, regardless of the level of value, need to be submitted to the ETC, and the minister makes all contract award decisions. The staff capacity in procurement in the whole ministry is weak and there are no specific public procurement training programs for the staff. No standard procurement documents and contract forms are available, and these are adopted from different sources. Above all, the DSW does not have experience with the World Bank procurement procedures and no specific assigned staff to carry out procurement activities. To address these capacity constraints which could lead to a large number of procurement-related complaints, delays, or noncompliance, appropriate mitigation actions have been agreed with the MOSWRR, including hiring a procurement consultant, setting service standards for processing procurement, and training of procurement staff.

22. **Project Procurement Strategy for Development (PPSD) and procurement plan.** The DSW prepared the PPCSD to inform fit-for-purpose procurement arrangements in the procurement plan for the first 18 months of implementation. An international competitive market approach and selection of consultants involving international competition will be carried out in accordance with the Procurement Regulations for IPF Borrowers. National market approaches (Request for Bids and Requests for Quotations) will be carried out in accordance with Government Directive 'Tender Procedure for Procurement of Civil Works, Goods, Services, Rental and Sale of Public Properties for the sale of Public Properties for Government Departments and organizations No. 1/2017 dated April 10, 2017' issued by the GoM which will be subject to exceptions to be included in the procurement plan. Standard documentation for such procurement will be based on standard documents agreed to by the World Bank.

23. Derived from the PPCSD, DSW prepared the procurement plan for the Project. The plan specifies in detail the goods, works, and services to be procured under the project, including cost estimates of each procurement package, the approach to market (procurement method), and the time schedule for each activity. The procurement plan will be submitted in STEP and updated annually (or as needed) by the DSW to (a) reflect project implementation, (b) accommodate changes that should be made, and (c) add new packages as needed for the project. All procurement plans, their updates, and their modifications are subject to the World Bank's prior review and 'no-objection' procedures. The World Bank will carry out ex post reviews on an annual basis for World



Bank-financed projects in the Myanmar portfolio in accordance with World Bank Guidance: Procurement Post Review, Independent Procurement Review, and Integrated Fiduciary Reviews.

Strategy and Approach for Implementation Support

24. The innovative approach of the operation, and engagement with different actors, will require intensive implementation support, particularly in the initial stages of the project. The team composition and the expected time allocation are described in table 1.3. The implementation support proposed focuses on implementing risk mitigation measures.

25. **Implementation capacity.** The core team will work in close collaboration with the project implementation team to ensure effective design and setup of the CCT program. The M&E of the inclusion and effectiveness of the cash transfer program will be very relevant in Myanmar to justify rapid expansion. Therefore, significant effort will need to be made in strengthening the implementation capacity of the project implementation and evaluation team.

26. **Coordination.** The core team will closely monitor project implementation to promote coordination and to detect possible lack of communication, duplication of efforts, and delays in implementation.

27. **M&E.** The function of the M&E will be significant for the project and will require specialized support. The M&E specialist will be a core team member.

28. **MIS and ICT/innovation expert.** The MIS and ICT/innovations will be of critical importance for the project. The information system expert will be a core team member.

29. **Infrastructure.** The building of new offices at all levels will require technical support from an engineer to ensure that best practices apply in terms of the code of construction and in having climate-resilient offices.

30. **FM.** During implementation of the project, the World Bank's FM specialist will support the implementing agency (including with ad hoc training) and routinely review the project's FM capacity, including, but not limited to, accounting, reporting, and maintaining internal controls to ensure that they are satisfactory to the World Bank.

31. **Procurement.** The World Bank's procurement specialist will work closely with the implementing agencies to build capacity and support them in procurement activities.

32. **Safeguards.** The World Bank's safeguard team will support the team to ensure that the project is implemented in accordance with an environmental management plan, the ECOP, and the CPPF.

Implementation Support Plan

33. Key World Bank team members involved in implementation support will be based in the Yangon Country Office, and the Bangkok, Hanoi, and Washington, D.C. offices. The core team is expected to conduct four formal implementation support missions during the first year of implementation, including field visits. After the first year, the number of implementation support missions is expected to be reduced to three missions a year and maintained throughout the project. Detailed inputs from the World Bank team are outlined in this section.



34. **Technical inputs.** TA and support will include the following: (a) technical experts and professionals to support the listing of TOR for both consultant and non-consultant services; (b) field visits to follow implementation of the planned operational enhancements; (c) TA to the systems’ components; and (d) the organization of technical workshops to share best practices and to support the evaluation agenda.

35. **Fiduciary requirements.** During the preparation stage of the project, the World Bank team identified capacity-building requirements needed to strengthen the FM capacity and improve procurement management in the context of World Bank operations. Formal implementation support of FM reports and procurement will be carried out semiannually, while prior review will be carried out for contracts specified in the procurement plan as required.

36. **Social and environmental safeguards.** During the project, the social specialist will closely monitor the implementation of the environmental management plan and ECOP.

37. **Communication and COSS.** The World Bank team will rely on professional support for the overall communication and COSS implementation.

38. The project will require the following implementation support in the first year (see table 1.3). The implementation support plan will be revised after the first year of implementation.

39. FM implementation review shall be undertaken twice a year during project implementation to ensure that the credit proceeds are used for the purpose they were granted, which may take at the most two weeks. The scope of the supervision is left to the professional judgment of the FM specialist. It may cover any of the following: (a) review of the continuous maintenance of adequate FM system by the MOSWRR, (b) review of IFRs, (c) follow-up of timeliness of FM reporting and actions taken on issues raised by external auditors, (d) review of the project’s financial reports, (e) follow-up of the status of any agreed action, and (f) review of compliance with the financial covenants. In addition, the FM implementation review should include desk review of the quarterly IFRs and audited financial statements and the Management Letter submitted to the World Bank.

Table 1.3. Required Project Supervision and M&E

Skills Needed	Number of Staff Weeks	Number of Trips	Staff Cost Estimate (in US\$)	Travel Cost Estimates (in US\$)	Comments
Senior Economists Social Protection and Jobs and Health, Nutrition, and Population (Task Team Leaders)	12	5	54,056	6,000	Senior Economist and Senior Health/Nutrition Specialists will oversee entire operation, supervise technical and fiduciary aspects, and ensure effective coordination of project implementation.
M&E Expert	5	3	22,698	3,600	M&E expert will provide overall guidance to the M&E of the project.
Senior SP Specialist	3	2	9,639	4,000	Senior SP Specialist will provide overall implementation support to the SP system agenda and to the specific task of setting up the CCTs.
Systems and ICT Innovation	8	4	12,000	6,000	One staff and one consultant will be responsible for the TA to the design and implementation of



Skills Needed	Number of Staff Weeks	Number of Trips	Staff Cost Estimate (in US\$)	Travel Cost Estimates (in US\$)	Comments
Specialists (Consultant)					the information systems for the project and on innovations.
Expert in communication and outreach for social support	4	2	7,000	7,000	Specialists will help with COSS and overall communication at the community level.
SP Specialist (local staff)	15	—	23,478	—	SP Specialist will provide overall implementation support for the project.
Senior Procurement Specialist	3	—	3,706	—	Senior Procurement Specialist will support the implementing agencies on related issues.
Senior FM Specialist	3	—	10,628	—	Senior FM Specialist will support the implementing agencies on related issues.
Safeguards Specialists	5	—	25,596	—	Safeguards Specialists will ensure effective inclusion of indigenous peoples and of women in the implementation and application of ECOP.
Engineer	2–3	—	4,950	—	Engineer working with the team to support in reviewing terms of references and work related to construction.



ANNEX 2: INCLUSION AND PEACE NOTE

Inclusion

*1. **Background.** Has the project identified any specific groups that are particularly excluded from the sector of intervention?*

The project will expand the Maternal and Child Cash Transfer (MCCT) program to Ayeyarwady Region and Shan State, and strengthen Social Protection (SP) delivery systems overall, including the existing Government-funded MCCT in Chin, Rakhine, Kayin, and Kayah. Preliminary analysis of nutrition-related indicators from Demographic and Health Survey (DHS) 2015–2016, Census 2014, and household surveys (IHLCA1 2005, IHLCA2 2010, MPLCS 2015, MLCS 2017), and other administrative information, point to a high risk of exclusion based on the following:

- (a) **Geography.** Stunting among children under five is 36.5 percent in Shan and 37.2 percent in Ayeyarwady, compared to a national average of 29.2 percent. Both perform worse than the national average on the MDI (20.7): 24 in Shan and 27.4 in Ayeyarwady. Outcomes are lower in rural areas than in urban areas. Remoteness and accessibility (for Ayeyarwady, especially in the wet season and in case of floods) can be grounds of exclusion. Townships most at risk have been identified. Those living in unregistered villages (8.5 percent of villages in National Community-Driven Development Project [NCDDP] areas) are also at higher risk of exclusion. Consultations will enable a more granular understanding at the VT/village/ward level.
- (b) **Conflict.** Socioeconomic deprivation tends to overlap with conflict and the presence of the Ethnic Armed Organizations (EAOs). Five townships in the project priority area cannot currently be accessed by the Government of Myanmar (GoM) (four in Northern Shan under Wa administration and one in Eastern Shan). Within the remaining 50 townships in Shan, several areas are either under active armed conflict or outside the control of the Government, and thus the population faces risks of exclusion. Populations in temporary shelters for the Internally Displaced Persons (IDPs), although receiving some basic services through mobile clinics and temporary learning centers, are also at risk of exclusion from accessing quality services.
- (c) **Ethno-religious identity, language, and citizenship/ID possession.** Nationally, some ethnic minorities, non-Buddhist, non-Bamar speakers, and non-citizens are more at risk of exclusion in accessing basic services and have poorer welfare outcomes. Evidence on how these may apply to Ayeyarwady and Shan has been explored and will continue to be explored through local consultations and evaluations. The program will identify township and (where feasible) village composition through the General Administration Department (GAD) data and consultations. Minority and mixed villages will be considered to be at a higher risk of exclusion and thus in need of greater monitoring needs. The social assessment points to language as a ground for exclusion, requiring adaptation of communication material for both Community Outreach and Social Support Sessions (COSS) and overall information related to the program. Possession of ID and citizenship documents are not requirements for participation in the program.
- (d) **Gender.** The project targets pregnant women and lactating mothers, thus contributing directly to improving welfare outcomes for mothers and children, which global evidence on Conditional Cash Transfer (CCT) shows, can empower women. The project will therefore measure the share of female



direct cash transfer recipients who report increased decision-making power on major spending decisions for the household in order to determine if the project makes a difference in empowering women.

- (e) **Poverty/Income.** The DHS and a recent Myanmar Micronutrient and Food Consumption Survey (MMFCS) indicate that nutrition outcomes and access to health services are lower among the poor. The cash transfer system aims to help poor households address this situation. Poverty would represent a ground of exclusion when significant cost is encountered to access the cash transfer (for example, cost of transport to registration/distribution/mandatory health facility visits). The program is designed to bring these services close to beneficiaries and not to introduce conditionalities that could exclude people based on income. Self-selection out of the program is expected to be more likely among better-off people and will not be considered an exclusion concern.
- (f) **Unavailable markets and services.** There is a risk that the intended improvements in outcomes may not be possible for all, and that some areas or groups may be unable to benefit from markets and services that the theory of change expects them to access. It will be important to constantly monitor this risk.

2. Targeting. How are individual beneficiaries or beneficiary groups selected for participation in the project? Does the project include specific actions or design features that focus on inclusion of specifically identified excluded groups? If not, should it? Does the project seek to strengthen or build systems with relevant agencies to address and/or measure social exclusion?

Universal categorical approach within selected R/S. The MCCT program targets pregnant mothers and children under age two (categorical targeting). All pregnant mothers in the R/S of intervention will be eligible for the cash transfer (universal approach). This applies to areas where the project will finance the MCCT and in areas already covered by the Government.

Targeting of R/S with the highest levels of exclusion from quality nutrition. The project targets two Regions/States (R/S) where stunting rates and deprivation are higher and population is the largest, for maximum impact on reducing stunting and inequalities. They were selected based on data and extensive consultations. During rollout of the MCCT program in R/S, a phased approach may be adopted that uses the rankings of needs-based townships as well as other logistical and implementation-related considerations (for example, security, accessibility, supply, and so forth).

Additional measures to reach those most at risk of being excluded within targeted R/S. The goal of choosing hard-to-reach and highly-populated geographically diverse R/S for the project is to foster inclusion. At the same time, these areas pose challenges and require additional efforts in a number of ways, as follows: (a) **Outreach and information.** The Voluntary Community Social Workers (VCSW) and the Village Tract Social Protection Committee (V-SPC) will play a critical role in informing the population about the program, eligibility requirements, and enrollment criteria. The use of these groups maximizes contextually relevant outreach and leverages existing trust within the community. It will be coupled with a modern ICT-based mass communication campaign. (b) **Enrollment.** Design decision about procedures for enrollment, and the location and timing for registration, could lead to exclusion. The VCSW and V-SPC will play a key role in enrolling eligible women into the program, and township-level personnel will be regularly supporting and monitoring this effort. Alternative arrangements will be needed among IDPs and in nongovernment-controlled areas. To mitigate exclusion risk at registration, potential



beneficiaries would be allowed to use Antenatal Care (ANC) cards by a variety of providers (public, private, NGOs, EAOs, charity clinics). (c) **Ongoing assessments.** The project will generate evidence on inclusion throughout its course, relying on tools financed through this project (such as MIS, grievance mechanisms, and independent assessments). Implementation will be adjusted as assessments reveal grounds for exclusion.

Building systems to measure and monitor inclusion/exclusion. The project will build a modern MIS system, generating periodic assessments, and a comprehensive community feedback mechanism. It will do so using ICT for data gathering as well as communications with beneficiaries (including tailored apps and text messages). The use of ICT will help overcome constraints involving accessibility and timeliness. There are two levels of possible exclusion that will be monitored through ICT-supported MIS providing data on beneficiaries disaggregated by geography and beneficiaries' characteristics: (a) entire areas of project intervention are excluded, (b) some groups within covered areas are not included. (See Question #8 below on M&E).

3. Consultations. *Have representatives of excluded groups been engaged in project consultations? How widespread were consultations (both geographically, and involving how many different population groups)? What languages other than Myanmar were used?*

Technical consultations in Ayeyarwady and Shan in June 2018 included a variety of Government and nongovernment stakeholders. During the social assessment activity, diverse groups (including those in remote areas in Ayeyarwady and different ethno-linguistic groups in Shan) were consulted. Results of those consultations informed current project design. A formal public consultation on February 1, 2019, in Ayeyarwady included over 100 participants. Three public consultations in Shan will take place in mid-March 2019. Consultations with the EAOs and organizations linked to the EAOs are also ongoing to inform the final design (see discussion on consultations in Question #9). Further regular consultations will be held in Shan State during the rollout of the program (see section III. A on institutional and implementation arrangements in the main text and also the discussion on assessments in Question #10), given the high level of contextual differences within the state. In all consultations and meetings on the project, including past and future, translations into main local languages (for example, Myanmar, Shan) will be made available to encourage active participation of the diverse stakeholders.

4. Assessment and mitigation of exclusion risks in project design (Area). *In what ways could implementation of project activities exacerbate social exclusion? How are these risks mitigated? Could the way the project management unit/agency is perceived by project beneficiaries hinder access to project benefits by certain groups? How is this mitigated?*

The risk of systematic exclusion of entire geographic areas will be mitigated by using ICT-supported MIS (triangulated with other available administrative data) to rapidly identify exclusion and to respond with strict follow-up protocols to assess exclusion and promote inclusion for the subsequent payments. For example, when temporary noncoverage appears linked to weather-related obstacles, retroactive payments can be considered; digital payments will also help address this risk. When noncoverage persists and/or affects minorities, then protocols, including spot checks, can be adopted. Unsystematic or ineffective actions to address grievances will be mitigated through the rollout of an upgraded multichannel Grievance Redress Mechanism (GRM) (see discussion on M&E in Question #8).

There is a risk that the project will be perceived by some as a way for the Government to collect information on beneficiaries for ends other than service provision, particularly in nongovernment-controlled areas. To mitigate this risk, implementation will focus on partnerships with local leaders, relevant ethnic service providers, and



village committees trusted by the village population. The program communication strategy will also invest in fostering confidence in the program and informing the population of the mechanisms that can be used to complain when necessary.

5. Assessment and mitigation of exclusion risks in project design (Gender). *Has the project considered adaptations to promote gender equality and inclusion of women, especially for those who are unable to leave home or who are illiterate?*

Nutrition-vulnerable women are the key beneficiaries. They will also participate in COSS sessions which will enhance their nutritional knowledge. These activities, based on global evidence, are expected to strengthen the voices and agency of women. Rollout, where and as feasible, of e-payment systems for the distribution of cash benefits are also expected to improve women’s financial inclusion.

Actions to enhance inclusion of all women include (a) information and communication campaigns and GRM tools will include several channels (including nonprinted information so as to reach illiterate women); (b) registration forms need not be completed by women themselves, and registration will be in the presence of more than one volunteer and project personnel; (c) monitoring registration and use of proxies to collect the benefits on behalf of women who are unable to do so themselves. The latter is already possible where the Government-financed MCCT is operating. It will be important to monitor the reliance on proxies to ensure that the intended impact of the project (including women’s control over the cash for nutrition purposes) is not hindered.

6. Assessment and mitigation of exclusion risks in project design (Access). *Has the project anticipated and mitigated potential resistance of government officials to travel to certain types of villages or to conflict-affected areas in view of fears for personal security? What adaptations to project design and implementation approaches are being considered to reach communities whose movement is restricted?*

Adaptations will depend on what local access restrictions are in place. First, when safety cannot be guaranteed due to active fighting, project delivery will be paused and reassessed regularly (see details in the discussion on “supporting peace” in Question #13). Second, where there is no active fighting, but the Government has no access, consultation with the EAOs and linked organizations to seek their views and approval is required. The Government access to date is completely restricted in five entire townships in Shan, most of which are under Wa self-administration. Additionally, some areas within other townships may also not be accessible. In the latter, the DSW will seek access and/or consult with the EAOs for the option of organizations trusted by the EAOs to provide the service in lieu of the Government, drawing on lessons from other World Bank-financed project such as the NCDDP (P153113) which has been successfully implementing in some EAO-controlled areas. The program may be implemented, provided an independent monitor is allowed access. The DSW has adopted ad hoc approaches to dialogue and engage with the EAOs and communities in its existing programs. In Kayin, the DSW has secured agreement and collaboration from the EAO/Ethnic Health Organizations (EHO), which are now in support of the MCCT implementation in their controlled area. A baseline survey is being developed for Kayah and Kayin which will provide an additional example of opportunities to access and monitor progress in nongovernment-controlled areas. The project will build on lessons learned and engage local communities and dialogue with the EAOs in a more structured manner. Consultations in Shan and Chang Mai provided further insights on possible approaches. Consultations at all levels will continue throughout project implementation.



7. Assessment and mitigation of exclusion risks in project implementation. *Has the project considered the role that the GAD of the Ministry of the Interior, or other military-controlled ministries and security forces, may play in influencing project implementation on the ground?*

It is agreed with counterparts that the GAD will support the DSW in the registration of and distribution of cash to beneficiaries but no longer be leading these functions (which is currently the implementation modality in the ongoing Government-financed MCCT program). Solutions will include leveraging e-payments where possible, relying on third-party payment providers, project staff, and village-level volunteers for registration. Depending on the evolution of the GAD under a civilian ministry and its ability to reach all communities equally, leveraging the GAD may become feasible. In any case, consultation and coordination with the GAD will be necessary to ensure smooth implementation.

8. M&E. *Does the results framework include indicators to adequately monitor social inclusion? Is technology being used to overcome challenges to monitoring inclusion? What other aspects of social inclusion are monitored by the project through other mechanisms (such as surveys, studies, consultations, and so forth)?*

PDO-level indicators will allow monitoring of inclusion in two ways: (a) reporting progress on beneficiaries disaggregated by geography, gender, ethno-religious or linguistic group; and (b) monitoring progress on two indicators related to the capacity to deliver social assistance programs more broadly (MIS and GRM) that can be used to identify and assess inclusiveness of the MCCT program. A variety of M&E tools will also be used, tailored to assess and improve inclusiveness of the MCCT in Ayeyarwady and Shan. Additional human capital and operational capacity (with new equipped offices and vehicles) and use of ICT-based tools for M&E will be instrumental to regularly inform implementation.

Systems established by the project will allow identification and monitoring of inclusion. The MIS and GRM (both relying on strong use of ICT for data collection and data entry) will generate useful information. In case villages are ethno-religiously/linguistically homogeneous, and thus a good proxy for exclusion of entire ethno-religious or ethno-linguistic groups, these tools will facilitate identification of communities excluded or at risk of exclusion on a timely and regular basis, or ones where there were geographical grounds for exclusion. The same tools will also support detecting within-community exclusion, based on patterns of benefit collection (for example, repeated use of proxies) and beneficiary characteristics (for example, belonging to a minority group). The MIS data will provide timely information on villages or minority groups not covered or covered to a significantly lower extent than expected given population estimates (based on census/GAD/MOHS data). Protocols will be set in place, classifying the type of exclusion risk, indicating both systematic actions to be taken and actors responsible for follow-ups (see Results Framework indicator). Additional M&E tools used by independent monitors will be deployed to monitor implementation and identify pressure points. Such tools include process-monitoring surveys (quantitative and qualitative) reaching both beneficiaries and other community members; post-distribution monitoring surveys of registered beneficiaries; exit surveys; and feedback surveys (IBM). The MOSWRR staff will make regular visits and reach out to both beneficiaries and nonbeneficiaries, with a higher frequency of visits mandated for villages identified through the MIS and GRM system as at 'high risk' of exclusion.

The details of program implementation will be reviewed annually. The M&E tools will identify systematic exclusion and processes favoring them. Based on these, the team and the DSW will discuss adaptations in the design and implementation to overcome systematic obstacles to inclusion in the World Bank-financed MCCT; similar adaptations, as relevant, will be recommended for the Government-financed MCCT programs elsewhere.



Peace

9. Consultations. *If the project is implemented in conflict-affected areas, has the Task Team consulted widely with local CSOs on relevant conflict dynamics and between the government and EAOs?*

The project will support the MCCT program expansion to Shan State where the conflict situation is particularly complex and fluid with a wide range of actors involved in the conflicts. The Task Team, in close collaboration with the World Bank conflict advisor, has designed the following strategy in conducting wide consultations with diverse stakeholders in Shan State. Depending on the audience, locations of the consultations are going to be both inside and outside the country.

- (a) **Public consultations in three primary locations in Shan State (Taunggyi, Lashio, Kengtong) during March 11–22, 2019:** The Task Team, with inputs from the conflict advisor and external resource persons, has identified and prepared a list of invitees, specifically targeting to include the local CSOs and think tanks which are either affiliated with EAOs or providing technical support to EAOs and major Shan political parties.
- (b) **Private consultations with the EAOs:** With support from the conflict advisor, the Task Team organized consultations for overall World Bank-proposed approach in Shan State with the EAOs in Chiang Mai. From February 28 to March 1, 2019, the Task Team and conflict advisor met with some representatives from the EAOs and organizations linked to the EAOs.
- (c) **Consultations with CSOs and authorities from five self-administered areas:** There are a total of four self-administered zones (Pa-Oh, Danu, Palaung, Kokant) and one self-administered division (Wa) in Shan State. The relationship and accessibility of these areas by the Government agencies/staff vary and as such, different approaches are being taken in consulting with these entities. Generally speaking, a good working relationship exists between the DSW and officials in the four self-administered zones, and the DSW staff has access to these areas. As such, local CSOs and administrators from Pa-sOh and Danu areas were invited to the public consultation in Taunggyi (Shan South), and those from Palaung and Kokant to the public consultation in Lashio (Shan North). Consultations will continue. However, the Wa self-administered division has restricted access, and only two townships (Ho Pan and Metman) out of a total of six are accessible to the Government. The DSW has in the past invited and been invited by Wa authorities for meetings in the Lashio and Wa areas. Wa authorities participated to the public consultations in Lashio (Shan North) but it may take considerably more time and strategizing to identify appropriate approaches for project implementation across all townships in Wa.
- (d) **Population in temporary shelters for IDP:** During public consultations in Shan State, invitations will be targeted to include the local CSOs, international and national NGOs, United Nations agencies, and the Public Health Department which are providing social and humanitarian services to 15,000 people living in approximately 75 temporary shelters in Shan North (*Source: 13th National Health Cluster Meeting update, February 27, 2019*). Bilateral consultations with specific agencies, and where possible and appropriate, direct consultations with IDP representatives, will be carried out during project implementation.



10. Assessment and mitigation of the risk for the project to exacerbate tensions. *In what ways might project implementation exacerbate conflict? How is this risk mitigated? What are the attitudes of the relevant EAOs toward Government, service delivery, and the potential project? Are relevant EAOs providing similar services in their areas of control or influence? How will these parallel delivery mechanisms be reconciled? How are different groups/stakeholders likely to perceive the project? Would differences in perception potentially lead to inter-group violence? What ‘bridging’ mechanisms (to connect different social groups) are or might be contemplated to address possible tensions? Will the project support IDP camps? If so, how will these services affect discussions about the permanency of camps?*

Shan State is affected by conflict both between the military and the EAOs or militia groups, and between the EAOs themselves. A wide range of actors are involved in these conflicts: there are at least 10 active EAOs as well as hundreds of militia groups and border guard forces. The conflict context is also further compounded by links of many groups to transnational organized crime networks, and Shan State, already a major producer of opium, has now become the world’s largest source of synthetic methamphetamines.

In terms of service delivery, the MOHS and the MOE are primarily providing basic education and essential health and nutrition services to the population living in Government-controlled areas and four self-administered zones (Pa-Oh, Danu, Palaung, and Kokant). CSOs and NGOs also play important and complementary roles in reaching the vulnerable and hard-to-reach groups in these areas. In Wa region, the local authorities have established their own health and education service-delivery systems, although some collaboration exists between them and public providers in the health sector. Health Poverty Action in Myanmar (international NGO) also provides essential health services to rural populations in the Wa region. Health service delivery in the nongovernment-controlled areas in Shan, compared to the EAO/EHO service delivery system in the southeast, is less developed, and has much lower population and service coverage with only a handful of social departments of the EAOs or organizations linked to the EAOs providing the basic services. Apart from cash support for referral of health emergencies implemented directly by international NGOs with support from the Three Millennium Development Goal Fund (concluded in December 2018), very few social assistance programs exist in these areas.

The universality of the project approach, that is, targeting project benefits for pregnant women, lactating mothers, and mothers with children under two years from every household in every township, could be seen positively by communities living under both Government-controlled areas and nongovernment-controlled areas. It reflects the likely concerns that some households are not receiving project benefits. On the other hand, some communities, particularly those that have been long suffering due to decades-long armed conflicts between the military and the EAOs, may mistrust a project initiated by the Central Government. There is also a possibility that some EAOs may consider the proposed project as an attempt by the Central Government to encroach on their territories and to potentially delegitimize their role in the eyes of the population living in their areas. To address these concerns and mitigate risks, the project will (a) identify the appropriate interlocutors—either local CSOs, think tanks, or NGOs trusted by the local communities; (b) utilize these trusted interlocutors in delivering program information using the appropriate language and channels; and (c) establish and implement mechanisms for regular dialogue and consultations with the EAOs and organizations linked with the EAOs and for assessing conflict situations throughout the project. The program communications strategy and budget will be taking these needs into account and addressing them proactively. The project will also consider contracting with an umbrella organization (third party) to facilitate the interaction and dialogue between the EAOs, DSW, and World Bank.

11. Assessment and mitigation of the risk for the project to fuel the conflict. *Does the project allocate indirect benefits (employment opportunities, and so forth) that could be captured or be a cause of local conflict? What*



direct or indirect effect might the project have on (a) local authority/power, (b) access to natural resources, or (c) illegal trade/activities that may create tensions?

Though the project will mobilize community volunteers at the village level, these are not paid positions. Incentives are only provided in the form of training and monthly mobile top-ups (for data entry) of approximately US\$2 per month. These volunteers will be selected based on clear and transparently communicated selection criteria by a representative selection committee at the township or village tract. The payment of the cash transfer will be made by an independent payment agent, thus minimizing the risks of capture or corruption.

In some communities, putting cash directly into the hands of woman and enhancing her agency regarding how to spend the money may challenge deep-rooted gender norms and household dynamics, potentially contributing to gender-based violence (already high and underreported, according to ADB 2016⁷⁹, Kyu and Kanai 2005⁸⁰), which may be affected by the planned intervention to provide cash directly in the hands of women. To mitigate this risk, several actions will be taken. First, communication and information campaigns about the program and behavioral changes activities will be inclusive of both mothers and fathers, and of other household members. Second, V-SPC and village leaders will play key roles, first in ensuring that the population fully understands the potential of the program, and second, in opening a communication channel for beneficiaries to report on any unforeseen negative externality of the program. Third, the project will set up a solid GRM and processes to report and address such cases.

Payment agent for cash transfers and third-party agents for program facilitation, supervision, and M&E in some areas in Shan will be selected carefully and competitively (whenever possible) and in consultations with relevant local authorities and CSOs to mitigate the risk of capture and local conflict.

12. Assessment and mitigation of conflict-related risks to project implementation. *Do obstacles exist to including conflict-affected communities in the project that would need to be addressed? (For example, eligibility based on presence of Government administrative staff, past results achieved or level of governance, recognized communities by township GAD, and so forth). Are security provisions adequate to allow World Bank implementation support in conflict-affected areas?*

The project intends to bring benefits to every household in Shan and Ayeyarwady. Given the complexity of the conflict in Shan State, several approaches will be deployed in the project (see section III.A of the Project Appraisal Document). Security situations in conflict-affected areas will be regularly monitored and assessed through a Violence Monitoring System (see the discussion under Question #14 dealing with M&E) and regular coordination meetings between the EAOs/EHOs and the DSW (see the discussion under Question #10 dealing with assessment of tensions). Rollout of project implementation will also take on a phased approach as well due to the need for intensive dialogue, consultation, and coordination with various key stakeholders in some townships. All villages in a village tract, regardless of their formal registration status in Ayeyarwady and Shan, are expected to be covered under the project.

⁷⁹ ADB, UNDP, UNPF, and United Nations Empowerment of Women, 2016. "Gender Equality and Women's Rights in Myanmar: A Situation Analysis." Manila, Asian Development Bank.

⁸⁰ Kyu, N., and Kanai, A., 2005. "Prevalence, Antecedent Causes and Consequences of Domestic Violence in Myanmar." *Asian Journal of Social Psychology* 8(3): 244-271.



*13. **Supporting peace.** Is the project expected to support peace (for example, related to the national peace process, in terms of trust building, delivery of development assistance, and so forth)?*

Delivery of cash transfers using third-party payment agents and delivering community outreach and social support through trained local volunteers to every household regardless of their location, ethnicity, and political affiliation is expected to increase the trust of population in relation to the goodwill and commitment of the Government in bringing welfare and peace to the people. The nuanced approaches to be deployed under the project for conflict-affected and nongovernment-controlled areas, involve the following: having regular interaction and broad consultations with local CSOs and EAOs; tailoring implementation modalities based on the consultations; establishing regular and joint review mechanisms for project implementation; and using third-party facilitation and monitoring of project activities. Strongly emphasizing these factors in nongovernment-controlled areas will help foster trust and confidence that development assistance is being sensitive to local concerns and contributing to trust building.

*14. **M&E.** What is the team's plan to continuously monitor the project's impact on peace during implementation?*

Leveraging the new initiative led by the World Bank Fragility, Conflict, and Violence team, which supports a local think tank (Myanmar Institute for Peace and Security) in setting up a regular Violence Monitoring System, the project will be able to monitor incidences of violence in conflict-affected project areas. Over time, trend analysis will be possible, enabling the project, to some extent, to be able to track its contribution to peace and development in the villages in conflict-affected areas where the project is being implemented.