



Livelihoods and Food Security Trust Fund

A multi-donor trust fund supported by Australia, Denmark, the European Union, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom and the United States



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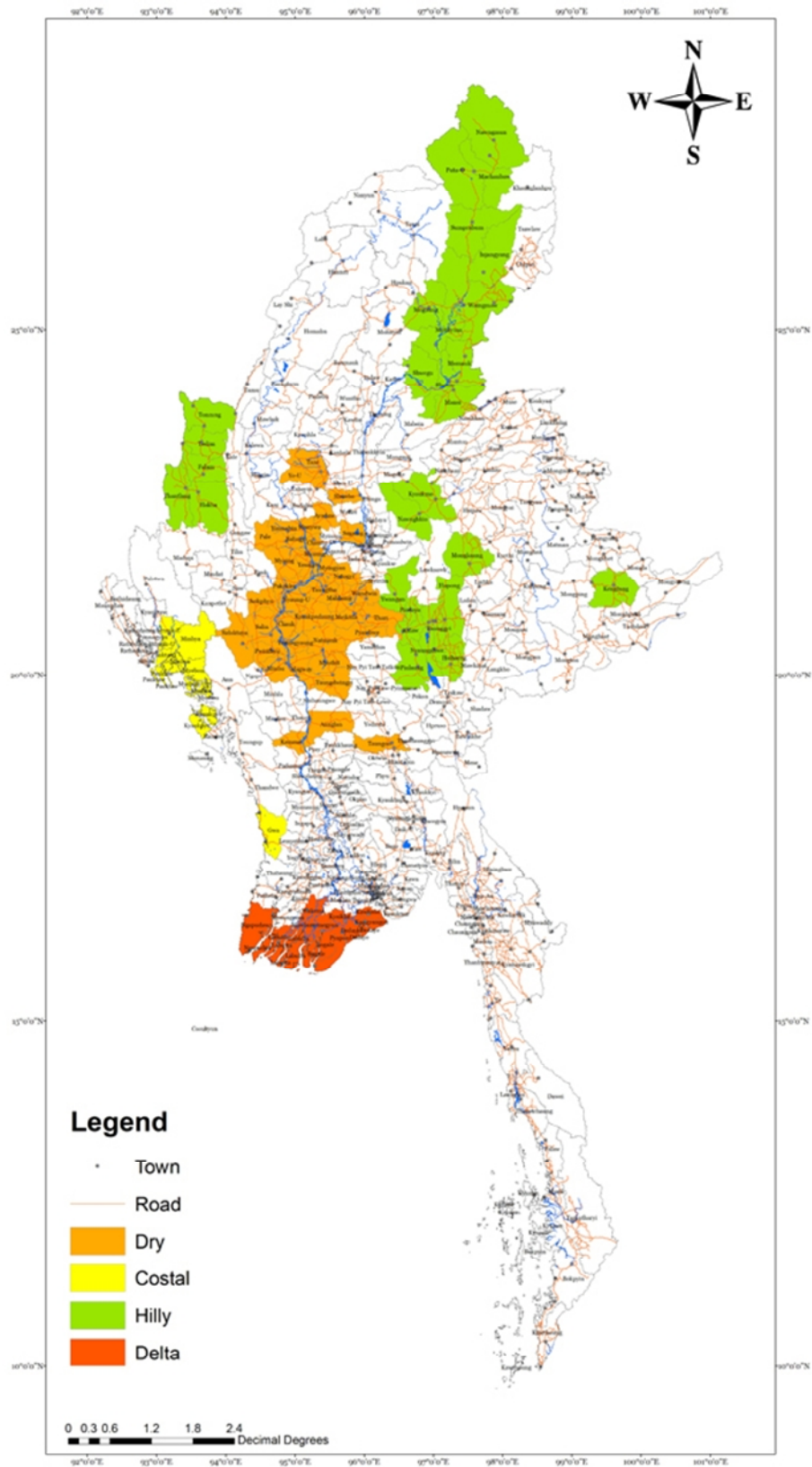


Government of the Netherlands



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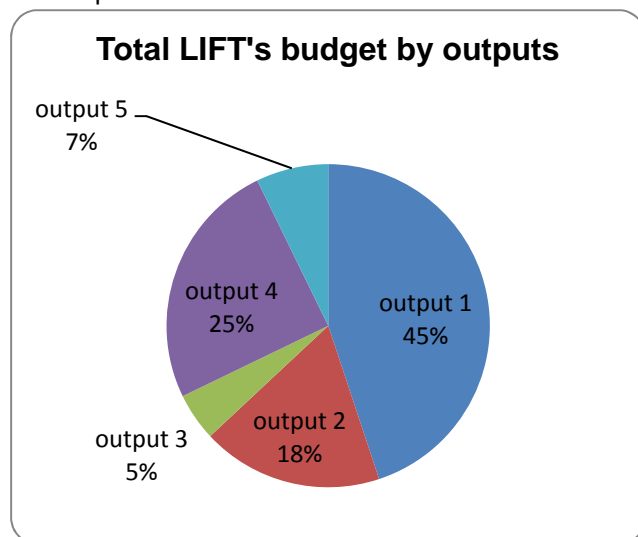
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Background on LIFT

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

In the spirit of the Paris Declaration on Aid Effectiveness and the OECD/DAC guidelines on “Harmonising Donor Practices for Effective Aid Delivery”, the donors agreed on a multi-donor trust fund approach with the conviction that pooling resources allows for programme coherence and leads to greater impact.



Generous contributions for LIFT's work in 2010 came from Australia, the European Union (EU), the Netherlands, Sweden, Switzerland and the United Kingdom. More recent contributions have been received from Denmark, New Zealand, France, and the United States of America. The United Nations Office for Project Services (UNOPS) was contracted as the fund manager to administer the funds and provide monitoring and oversight for LIFT.

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

The overall objective of LIFT is to contribute towards Myanmar's achievement of Millennium Development Goal 1¹. During its intervention, the fund aims to increase food availability and incomes for two million target beneficiaries.

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

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

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

Additionally, there will be the following management outputs:

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

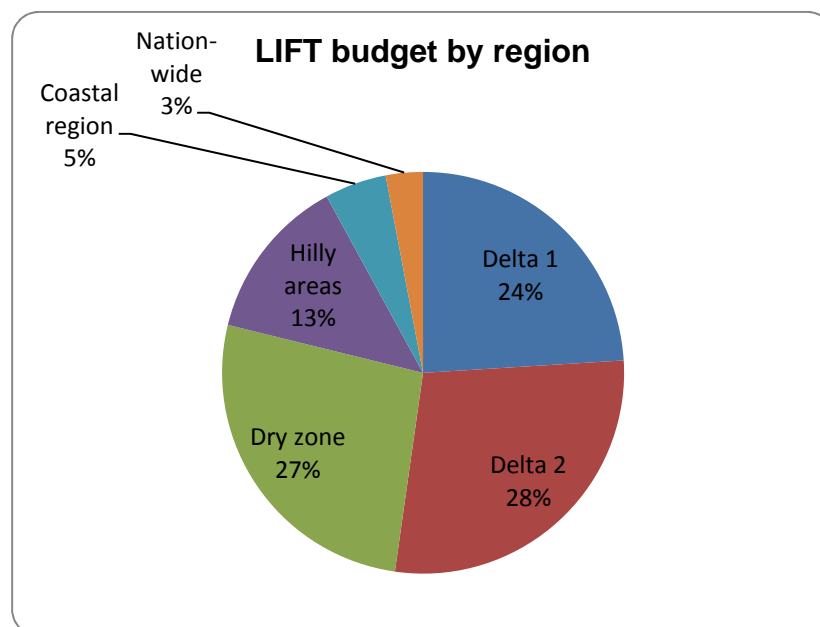
Geographic areas

To the end of July 2012, 63 projects have received funds from LIFT. Twenty-two of those projects – all of them one-year projects in the Ayeyarwaddy Delta – were completed in 2011. Of the 41 on-going projects – all are three-year projects, most of which started in 2011, some only in 2012.

LIFT has funded programmes and projects in four different agro-ecological zones:

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

LIFT aims at developing strategies, formulating and funding coherent programmes specific to agro-ecological regions. This approach will allow a better understanding of the local context.

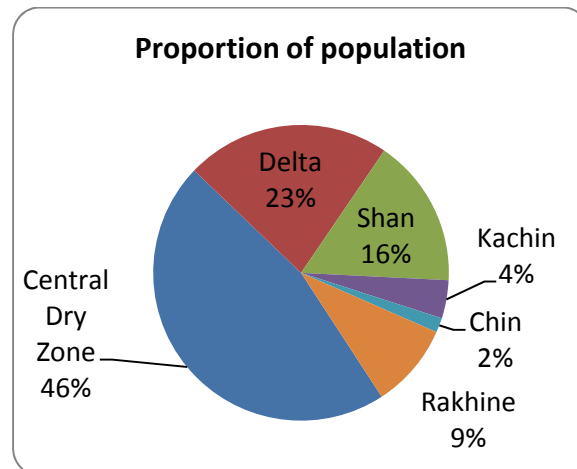


Following the cyclone Nargis (2008), LIFT started its operation in the Delta in 2010 by funding short-term relief and rehabilitation projects. The approach of the programme is now more oriented towards development and its objective is to boost the production of small-scale rice producers. The rice sub-sector (promotion of improved cropping and post-harvest practices and technology) and access to finance are the focus of the programme.

LIFT is supporting several organisations in the Dry Zone to improve agriculture production, access to water and access to finance. LIFT plans to design a new development programme in the Dry Zone in 2013.

The Rakhine State is one of the least developed areas in Myanmar, suffering from a number of chronic challenges including, malnutrition, poverty, weak infrastructure, and exposure to extreme weather. Currently, two of LIFT's partners are funded to conduct livelihoods activities in this State. In 2010, Cyclone Giri affected 60% of the population living in four townships of the Rakhine State. LIFT is launching a four-year development programme to support these communities.

The on-going peace process may open up opportunities to strengthen the livelihood interventions in ethnic states, especially in areas LIFT is already working (Kachin, Shan).



So far, LIFT has injected 52% of its fund into the Delta although the population represents only 23% of Myanmar's population. The allocation of funds will be more evenly spread over the years over the different regions, and is based on four criteria that include:

1. Focus on areas where poverty and vulnerability are greatest using different sources of data
2. Presence of international and local partners with experience and the capacity to implement programmes
3. Potential to link up two or more partners, so as to achieve programme coherence, scale and impact
4. An opportunity to monitor and evaluate projects and to capture lessons.

Current size and funds received

LIFT has worked with 32 partners that include INGOs, local NGOs, and UN agencies (UN Habitat, UNDP, FAO, and WFP). However, most LIFT-funded projects are implemented directly or indirectly by local NGOs. Currently, 27% of LIFT-funded projects are implemented through local NGOs contracted directly by LIFT. Another 29% implemented by local NGOs in partnership with international NGOs. LIFT is present in 81 townships

1. **Delta 1:**
 - **started early 2010**
 - **22 projects (all 1 year)**
 - **total = \$20 million**

In 2010, LIFT supported 22 one-year projects to provide inputs to re-establish rice production that had been destroyed by Cyclone Nargis.² The progress and challenges of the projects ('Delta 1' projects) are

² In 2008, Cyclone Nargis destroyed lives and livelihoods across the Delta, Myanmar's largest rice producing area.

described in LIFT's semi-annual report 2011 and the *Delta 1 Evaluation* report. The latter evaluation report estimated that farmers' incomes increased by a third due to LIFT's interventions. All Delta 1 projects are now completed.

2. Delta 2:

- **started mid 2011**
- **13 projects (all 3 years)**
- **total = \$23.2 million**

Following the cyclone Nargis (2008), LIFT started its operation in the Delta in 2010 by funding short-term relief and rehabilitation projects. The approach of the programme is now more oriented toward development and the objective is to boost the production of small-scale producers. The rice sub-sector (promotion of improved cropping and post-harvest practices and technology) and access to finance are the main focus of the programme. Over half of the total amount of \$23.2 million provided to LIFT's partners working in the Delta will be spent on Output 1, agriculture. By June 2012, LIFT had on-going partnership agreements in the Delta totalling \$13.3 million for nine three-year projects until 2014. Two additional three-year projects (IRRI and Action Aid) were signed in 2012 to increase the impact of existing LIFT activities funded for \$3.6 million until 2015. Pact received \$299,999 for activities in Pyapone and UNDP/Pact received \$6 million for other areas in the Delta.

3. Country-wide:

- **started mid 2010**
- **16 projects (all 3 years)**
- **total = \$36.5 million**

LIFT also expanded significantly its activities in areas of the country outside the Delta, awarding 16 new grants outside the Delta with a total value of US\$ 36.5 million. More than 87,000 households from 846 villages are being targeted in 40 townships across the Dry Zone, Kachin, Chin, and Shan States.

4. Coastal (Rakhine):

- **will start by end 2012**
- **up to = \$20 million**

LIFT engaged the services of FAO Investment Centre (FAO/TCI) for programme development and formulation of the Rakhine Livelihoods and Food Security Programme in GRI-affected areas. The objective of the FAO/TCI scoping mission was to carry out a preliminary assessment of development issues and potential opportunities in four townships in the Rakhine State. The main features of this development programme will focus on aquaculture, agriculture, micro-finance and productive infrastructure. The programme is expected to be initiated by end 2012.

5. Learning and innovation:

- **started late 2011**

LIFT has a funding window within the Fund to support innovative initiatives that are likely to increase the collective knowledge in food security and livelihoods in Myanmar. Projects that are innovative in the Myanmar context have a high potential for learning and will increase the impact of existing projects will be supported. Additionally, projects that will contribute significantly to policy dialogue on food security and livelihoods issues and serve to fill a significant gap in the existing portfolio of LIFT projects will also be supported.

6. Micro-finance:

- **will start in 2012**
- **up to = \$20 million**

In order to promote microfinance in Myanmar, LIFT decided to open a funding window specifically for microfinance in 2012. Through this funding window (presently set at \$20 million), the Fund Board has agreed to implement two projects in partnership with UNCDF and one with the World Bank. They are:

- **MAP (Making Financial Access Possible in Myanmar):** The project is to be implemented by Finmark Trust and Cenfri to prepare a comprehensive study on the financial sector with a focus on both supply and demand sides.
- **MicroLead (The Fund to Develop Savings-led Market Leaders):** This project aims to promote entry of financial service providers who are market leaders in other microfinance industries into Myanmar.
- **FIND (Financial Inclusion for National Development in Myanmar):** This project is to be implemented by the World Bank to provide capacity building for MMSE and other Government Institutions, which are directly involved in microfinance.
- LIFT also contracted Pact for a three-year project, which aims to develop the capacity of nine local MFIs over the contract period.

LIFT microfinance projects implemented by UNDP, Pact, and Save the Children disbursed \$4,166,167 to 21,815 households from 574 villages during the first half of 2012. More than 50% of the total amount loaned was provided as agricultural loans and the remaining loans were provided to households to invest in income generating activities such as small grocery shops and small scale trading.

Lessons learned from LIFT micro-finance activities include:

- The credit services provided by experienced MFIs in Myanmar are extremely successful with repayment rates nearly 100%.
- The demand for agricultural credit exceeds supply (by many times).
- There is a very high-unmet demand deposit-taking and insurance service.

Monitoring and evaluating LIFT

Monitoring and evaluating the activities of LIFT will ensure the effective use of resources. M&E will enable LIFT learn lessons and collect evidence that can contribute to dialogue with national and international policy makers. LIFT's M&E activities include:

- LIFT 2012 Baseline Study covers 4000 households in 250 villages randomly selected to cover LIFT villages. This includes 50 control villages with 800 households.
- Oxford Policy Management evaluated the Delta 1 programme in the Nov-Dec 2011 and presented their preliminary findings to LIFT's partners on the 2 Feb 2012. The final evaluation results are on LIFT's website.
- LIFT has also funded the World Bank to conduct six rounds of qualitative socio-economic monitoring (QSEM) following a pilot study in 14 villages in the dry zone. QSEM will involve wide ranging assessments in selected villages analyzing issues (often unexpected or outside of the focus of existing M&E activities) and providing more in depth contextual analysis. QSEM will have the flexibility to focus on specific emerging themes or issues. QSEM will also provide training on qualitative methods and analysis.



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