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# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

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Appraisal Stage | Date Prepared/Updated: 24-Oct-2020 | Report No: PIDISDSA30798

**BASIC INFORMATION****A. Basic Project Data**

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| Country<br>Myanmar                                   | Project ID<br>P162647                              | Project Name<br>Enhancing Community<br>Driven Development<br>Project   | Parent Project ID (if any)                                   |
| Region<br>EAST ASIA AND PACIFIC                      | Estimated Appraisal Date<br>11-May-2018            | Estimated Board Date<br>23-Dec-2020  | Practice Area (Lead)<br>Social Sustainability &<br>Inclusion |
| Financing Instrument<br>Investment Project Financing | Borrower(s)<br>Republic of the Union of<br>Myanmar | Implementing Agency<br>Department of Rural<br>Development, Ministry of<br>Agriculture, Livestock and<br>Irrigation |  |

## Proposed Development Objective(s)

The development objective is to enable poor rural communities to benefit from improved access to and use of basic infrastructure and services through a people-centered approach.

## Components

- Community Block Grants
- Facilitation and Capacity Development
- Monitoring and Evaluation, Knowledge and Learning
- Project Management and Implementation Support

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

|                    |       |
|--------------------|-------|
| Total Project Cost | 25.00 |
| Total Financing    | 25.00 |
| of which IBRD/IDA  | 0.00  |
| Financing Gap      | 0.00  |

**DETAILS****Non-World Bank Group Financing**



|                               |       |
|-------------------------------|-------|
| Trust Funds                   | 25.00 |
| Japan Social Development Fund | 25.00 |

## Environmental Assessment Category

B-Partial Assessment

## Decision

The review did authorize the team to appraise and negotiate

## Other Decision (as needed)

**B. Introduction and Context**

## Country Context

Despite a rich natural resource base and a strategic location in one of the most economically dynamic regions in the world, Myanmar today is one of the least developed countries in Southeast Asia due to a long period of conflict, isolation, and ineffective economic and social policies. At least 70 percent of Myanmar's poor live in rural areas, where decades of underinvestment have limited access to essential infrastructure and services. Beginning in 2011, Myanmar accelerated major political and economic reforms that have seen a significant increase of political and civil liberties. GDP grew at an average rate of 5.1 percent per year between 2005-06 and 2009-10, and at 6.5 percent since the transition began.

Following the country's first open national elections in 2015 in a generation, a government led by the National League for Democracy (NLD) took power in April 2016. Consistent with its election manifesto, the NLD Government has prioritized rural development and job creation as core economic objectives. Beginning in 2017, the government specifically emphasized the importance of rural infrastructure, including roads and electrification, to support broad-based, private-sector driven job growth in rural areas. The NCDDP reflects this commitment to rural infrastructure, while adopting a community-driven approach to development that places communities at the center of decision-making, including in the identification, implementation and maintenance of community-level infrastructure

At the same, the new government has continued to pursue an end to decades of ethnic conflicts through a peace process involving negotiations with over a dozen armed groups. In its initial phase in 2012 and 2013, the process led to the signing of a series of bilateral ceasefire agreements, including with the Karen National Union, ending the world's longest-running civil conflict. In October 2015, eight ethnic armed organizations signed a Nationwide Ceasefire Agreement with the Government, committing to a political dialogue aimed at a comprehensive national peace agreement. However, despite this promising start and the significant



achievements of the peace process to date, progress remains uneven and fighting in recent months has intensified in the country's northeast. This includes in particular, high intensity conflict with the Kachin Independence Organization, but also armed clashes with smaller groups in Shan State which have displaced thousands of civilians. The government's efforts to agree on a ceasefire with these groups and have them join the political process have so far been unsuccessful, in part reflecting a deep legacy of distrust following decades of conflict.

Even as the government has sought to advance the national peace process, other sources of conflict have re-emerged, including in Rakhine State. Longstanding tensions between the predominantly Buddhist population and the state's Muslim minority led to communal violence in 2012, and the subsequent restriction of 120,000 Muslims who self-identify as Rohingya to IDP camps. Since October 2016, Government has responded to attacks on police and military facilities by a recently formed insurgent group with military-led security and clearance operations that have caused over 730,000 people to flee to Bangladesh in two waves.<sup>1</sup> A further 30,000 people have been displaced within Rakhine. The situation in Rakhine State has become further complicated by the emergence of armed conflict between the military and another insurgent group, the Arakan Army, which has displaced a further 30,000 people in 2019.

#### Sectoral and Institutional Context

As part of the country's ongoing transition, the Government of Myanmar has placed great importance on inclusive and people-centered rural development. A core part of its approach has been to demonstrate the commitment and capacity of the state to deliver public services in a responsive, transparent and accountable manner. Key initiatives in this regard include early steps towards fiscal decentralization, with a focus on state and regional level governments, who have received an increasing share of fiscal transfers from the union level to support local development. Moreover, the Government has been piloting efforts to decentralize frontline service delivery by providing greater spending autonomy to township level healthcare and education authorities.

The World Bank has supported the operationalization of the Government's vision of people-centered development *inter alia* through the National Community-Driven Development Project (NCDDP). Since becoming effective in January 2013, the NCDDP has delivered rapid results. As of early 2017, the NCDDP has financed over 7,000 subprojects in approximately 8,800 villages in 47 townships, home to over 5.2 million people. Subprojects have included the rehabilitation of over 2,300 kms of roads, extensions and renovations of 2,000 schools, along with investments in new water supplies, sanitation facilities, electrification, jetties, libraries and health centers amid a broad range of community level infrastructure. To date, the project has created over 1.5 million days of paid labor. An independent technical audit in 2016 found that 92 percent of subprojects

<sup>1</sup> Inter Sector Coordination Group. 2018. Situation Report Rohingya Refugee Crisis.

[https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/isccg\\_situation\\_report\\_27\\_sept\\_2018.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/isccg_situation_report_27_sept_2018.pdf).



met or exceeded technical specifications, and that subprojects were cost effective when compared to the construction of similar infrastructure through other programs in Myanmar.

Besides infrastructures and jobs, the NCDDP has helped in using innovative tools and approaches that have the potential to increase citizen engagement and social accountability, as well as to strengthen grassroots confidence in the peace process. This includes: (i) the strengthening of the capacity of communities to serve as agents of local development; (ii) annual performance reviews, including social audits, with a view to fostering adaptive learning and transparency; (iv) a large scale grievance handling mechanism; and (v) confidence building measures between Government and some Ethnic Armed Organizations (EAOs) to serve communities in townships that are still contested.

The Government of Japan and the Secretariat of the Japanese Social Development Fund (JSDF) have approved an introductory note for a JSDF grant in an amount of US\$11 million to provide complementary financing to support the implementation of community development activities under the NCDDP. This financing was also reflected in the Project Paper for the Additional Financing IDA credit approved in July 2015. The grant amount was subsequently increased to US\$25 million, necessitating a separate processing of this grant financing contribution.

### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The development objective is to enable poor rural communities to benefit from improved access to and use of basic infrastructure and services through a people-centered approach.

#### Key Results

|  |
|--|
| 1. Direct project beneficiaries  |
| 2. Female beneficiaries  |
| 3. Number of persons having access to and use of project-built infrastructure and services (e.g. all-weather roads, water, schools, health services) |
| 4. Percent of households in project villages participating in planning, decision-making, and implementation of sub-projects                          |
| 5. Percent of community members satisfied with the project   |

### D. Project Description

#### Component 1: Community Block Grants (US\$18.65 million, 75 percent)

These resources would finance community block grants in five townships, financing four rounds of sub-projects in the selected township over a period of four years. The value of the grants is equivalent of US\$27,000 per village tract (village tracts typically consist of 4-6 villages) per year,



or about US\$12 per capita. Village tract allocations vary depending on the population of a given village tract. The grant funds will be utilized to finance community-level public infrastructure, including the rehabilitation and construction of transport connectivity (e.g., roads, bridges, jetties, footpaths), water supply systems, schools, rural electrification and rural health centers.

NCDDP Project townships are selected by the state and regional Chief Ministers based on a participatory process that brings together local government officials, civil society, and community representatives in a workshop setting to identify the poorest township of the State/Region. The key criteria for township selection are (i) poverty; (ii) the absence of external funding for similar activities, (iii) willingness and capability of the township authorities to implement the project, (iv) adequate peace and stability of the township, and (v) relative ease of logistical access to and within the township. The JSDF grant resources will be utilized to finance community block grants in townships with ethnic minorities and/or other vulnerable communities. They will include townships affected by conflict.

Given the lack of familiarity of local authorities and communities with the concept of community empowerment, the first annual cycle in each township is limited to a positive list of sub-projects that are easier to implement (using standardized designs) focused on rehabilitation and minor extension work. In subsequent years, communities may select to rehabilitate or construct any new public infrastructure except for investments specified in a negative list. Block grants are allocated through a participatory planning process comprising all villages within a village tract. All village tracts in selected townships are covered for equity purposes. Planning and prioritization of sub-projects is undertaken by villagers and representative village tract fora.

### **Component 2: Facilitation and Capacity Development (US\$3 million, 12 percent)**

Effective facilitation is the key ingredient of an effective CDD project. Experience from the region and elsewhere provide the Myanmar NCDDP with the potential to benefit from lessons learned over years in other countries. The JSDF grant will support DRD to “skill up” for effective facilitation at scale. The NCDD project is still relatively new – the skills necessary to undertake participatory community development processes at the grass roots are being refined incrementally.

Given that there is still a limited pool and low base of facilitation skills, there is a need to further strengthen facilitation skills through innovative activities additional to the normal NCDDP process. The component will thus support the establishment of a community facilitator learning program targeted at developing a curriculum and a cadre of facilitators. This initiative would provide technical training and experiential learning in mobilization, facilitation and interface/liaison activities in poor communities. It would at first include a focus on the skills necessary to facilitate CDD activities, but as need arises, could be expanded to provide a forum for the development of skills for other sectors (e.g. training on social accountability in health, education or other services). This will not only develop the capacity of human resources available



to play this role in the NCDDP, but create a broader foundation for participatory development in Myanmar in the medium/long term. This facilitation training program will also help facilitators identify and mitigate risks of conflict and/or social exclusion in community engagement processes.

A partnership of a locally-based organization/institute with capacity building skills, together with an international partner, will deliver this program. Depending on feasibility, there may be more than one regionally based center. Implementation arrangements will be determined based on the capacity of partners to deliver a well-designed, targeted and sustained set of training events – linked to learning in real situations (likely through the NCDD project townships).

While a primary aim is to increase the pool of well-trained facilitators for the CDD project, the program would also provide a platform to deepen the quality of skills of existing Community Facilitators (CF's) and Technical Facilitators (TF's). Candidates for enhanced training will include recent graduates, and from other disciplines with experience in community interface, including CF's recruited by Township Technical Assistance (TTA) providers under the Project, many of whom originate from Project beneficiary villages. The training could also support skills building of other township and state/region government personnel in participatory development approaches.

#### **Component 3: Monitoring and Evaluation, Knowledge and Learning (US\$0.87 million, 3 percent)**

This component will finance studies for the NCDDP, with a particular focus on gender and social inclusion reviews. The Gender and Social Inclusion reviews will assess the relevance and effectiveness of measures to support the participation of women and ethnic groups in all stages of the Project's community engagement processes (planning, implementation and evaluation), including with reference to language and other cultural variables.

In addition, this component will also finance the collation and reporting of information on JSDF grant financed activities within the framework of the Project's regular quarterly and annual reporting processes. The World Bank's aide memoires of implementation support missions as well as Implementation Status and Results Reports (ISRs) will report specifically on JSDF grant implementation. Finally, this component will also finance the final evaluation of the Project.

#### **Component 4: Project Management and Implementation Support (US\$2.48 million, 10 percent)**

This component will support project management by DRD at the Union, State/Region, district, township, village tract and village levels, including financial management, procurement, environmental and social safeguards management, and communications.



## E. Implementation

### Institutional and Implementation Arrangements

The Department of Rural Development of the Ministry of Agriculture, Livestock and Irrigation has been implementing the NCDDP in a satisfactory manner since 2013, scaling up the Project successfully from 3 townships in 2013 to 47 townships in 2017. The proposed financing builds on this proven design. While the number of sub-projects financed under the NCDDP will increase with this financing, their average size, complexity or safeguards implications will remain the same. This Project will also invest resources to further strengthen the capacity of the “frontline” community engagement personnel of the Project with a view to enhancing the quality of the Project’s community engagement, gender and social inclusion processes.

## F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The JSDF Grant, Enhancing Community Driven Development Project, would finance complementary activities including community block grants in five townships participating in the NCDDP, financing four rounds of sub-projects in the selected townships over a period of four years. The townships targeted will be in Shan state (Mawkmai and Mongkhet), Kayin state (Kawkareik) and Rakhine state (Ponnagyun and Gwa). These townships were selected by the state and regional Chief Ministers based on a participatory process that brings together local government officials, civil society, and community representatives in a workshop setting to identify the poorest township of the State/Region. The key criteria for township selection are (i) poverty; (ii) the absence of external funding for similar activities, (iii) willingness and capability of the township authorities to implement the project, (iv) adequate peace and stability of the township, and (v) relative ease of logistical access to and within the township. All village tracts in selected townships will be covered for equity purposes. While rural areas have sensitive ecosystems such as rivers and forest areas, the eligible activities to be financed focus on small-scale rural infrastructure that are not anticipated to have any significant impacts on such ecosystems, and the ESMF contains measures to screen and manage potential impacts on natural habitats. Furthermore, the average annual block grant allocation of US\$27,000 per village tract per year, is spread across all villages in a tract (in Myanmar, village tracts consist of on average four to six villages). Some of the project townships are located along international waterways or its tributaries. These include Mawkmai township (Shan state) that is located on the Thanlyin and its tributaries, and Ponnagyun township (Rakhine state) that is located on a distributary & tributary in the delta area of the Kaladan river, shared with India. The project will not finance sub-projects that involve the use or potential pollution of any international waterways or their tributaries or connected aquifers. There is a possibility that some sub-projects be implemented in, or in the vicinity of, a recognized physical cultural site. The World Bank safeguard policy OP 4.11 – Physical Cultural Heritages (PCR) will be triggered and measures prepared for avoiding/minimize impacts.

**G. Environmental and Social Safeguards Specialists on the Team**

Marcel Robert Frederik, Social Specialist  
Wasittee Udchachone, Environmental Specialist  
Thiha Ko Ko, Social Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

| Safeguard Policies                  | Triggered? | Explanation (Optional)  |
|-------------------------------------|------------|---|
| Environmental Assessment OP/BP 4.01 | Yes        | <p>The JSDF Enhancing Community Driven Development Project is classified as environmental category "B" as it will continue to finance small-scale rehabilitation and construction rural infrastructure works similar to the NCDDP original and additional financing project. The infrastructure to be financed will be based on eligibility criteria and typically include small roads, foot-paths and small bridges and jetties, village water supply systems, rehabilitation of class rooms and health centers, and small-scale rural electrification such as pico hydro or solar panels. The physical rehabilitation of existing infrastructure will not involve significant structural modifications. New construction of infrastructure that has the potential to cause significant impacts (e.g. degradation of natural habitats, protected forests, or cultural resources) is not eligible for financing under the project. The envisaged investments are typical to similar CDD projects in the region and are not expected to have significant adverse and unprecedented environmental and social impacts. Temporary negative impacts will be related to typical small scale construction activities.</p> <p>This JSDF grant operation will follow the Environmental and Social Management Framework (ESMF) prepared and adopted for the ongoing NCDDP operation. This document has served as the sole safeguard instrument for all activities financed under the NCDDP, including the original IDA grant, the additional IDA credit financing, parallel co-financing provided by other donors. The ESMF has</p> |



been updated to reflect lessons learned, include the additional financing components under this JSDF grant, and incorporate procedures for Physical Cultural Resources Management Plans as needed. The ESMF provides (i) the process and procedures for conducting the assessment of environment and social impacts of specific sub-projects and activities during project implementation once investments are proposed; (ii) the requirements and process for screening and assessing sub-project eligibility and potential impacts; and (iii) the identification and implementation of mitigation measures while following relevant World Bank safeguards policies and existing environmental protection laws, regulations and standards in Myanmar. Given the small scale and limited impacts envisaged for the proposed investments, Environmental Codes of Practice (ECoPs) and/or simplified Environmental Management Plans (EMPs) will be the safeguards instruments used to reflect, assess, mitigate and monitor for any possible impacts related to subprojects. Any sub-projects larger than 40 million kyats (ca. \$35 ,000) would require notification to the union level DRD office and a prior no objection from the World Bank to screen potential environmental and social risks associated with sub-projects of this size. The updated ESMF had been consulted with key stakeholders including with civil society and the concerned authorities in Yangon, Naypyitaw and Mandalay on May 15th, May 23rd and June 1st, 2017. The final version of ESMF in English and Myanmar was disclosed on DRD's website on December 18, 2019, and on the World Bank website on October 16, 2020

|  |     |   |
|--|-----|---|
| Performance Standards for Private Sector Activities OP/BP 4.03 | No  |   |
| Natural Habitats OP/BP 4.04                                    | Yes | This policy is triggered because of the potential negative impacts that subproject activities might have on natural habitats. While these activities are expected to be small scale, typical for CDD operations, and with overall limited impacts manageable through application of mitigation measures, the policy is triggered for precautionary reasons to ensure that any physical interventions (including those proposed in known reserved or |



|  |     |   |
|--|-----|---|
|  |     | declared national forests zones) will not adversely impact or lead to the degradation of critical or other natural habitats. The ESMF provides for the screening of potential project impacts and how safeguard issues under this policy should be addressed during project implementation.   |
| Forests OP/BP 4.36                     | No  | The Project does not anticipate it will have and will not consider eligible for financing any activities that: (a) have impacts on the health and quality of forests; (b) affect the rights and welfare of people and their level of dependence upon or interaction with forests; and (c) aim to bring about changes in the management, protection, or utilization of natural forests or plantations, whether they are publicly, privately, or communally owned. All sub-projects will be screened accordingly.   |
| Pest Management OP 4.09                | No  | Project activities are not expected to use pesticides, nor lead to increased usage of pesticides. Any sub-project that would require the use of pesticides or increase their use will not be eligible for financing.  |
| Physical Cultural Resources OP/BP 4.11 | Yes | This policy is triggered because of the possibility that sub-projects may be implemented in, or in the vicinity of, a physical cultural heritage site recognized by the borrower. It is anticipated that impacts on PCR from sub-projects activities are likely to be minimal/limited, site-specific and manageable because: (i) infrastructure works that the project will support are small-scale demand-driven community infrastructure; and (ii) investments detrimental to cultural resources is not-eligible under project.   |
|  |     | This policy was not triggered by the original project. Implementation of the AF in year 3 and 4 triggers this policy because it included three townships that cover the nationally registered Cultural Heritage Zones, namely Nyaung-U township (year 3), and Natogyi township (year 4) in Mandalay region and Kyauktan township (year 4) in Yangon region. Since NCDDP is implemented in all villages and village tracts in each participating township, some villages of these three townships are located inside or near the nationally listed cultural heritage zones. This triggers the World bank safeguard policy OP 4.11 – Physical Cultural Heritages (PCR). |



|                                     |     |  |
|-------------------------------------|-----|--|
| Indigenous Peoples OP/BP 4.10       | Yes | <p>The ESMF has been updated to include guidance on screening, assessing and identifying measures to avoid or mitigate and monitor impacts on PCR as well as to reflect the inclusion of JSDF financing.</p> <p>The activities financed using JSDF may include townships where ethnic minorities are present, therefore OP 4.10 is triggered. These activities will continue to support the participatory social assessments (SA) to be conducted by affected community members themselves, including ethnic minorities, with the support of qualified Community Facilitators. The participatory SA will include ethnic screening, and free, prior and informed consultations with affected ethnic minorities aimed at ensuring their broad community support. The Village Tract Development Plans (VTDP), which will be developed based on the result of the participatory SA, will serve as the Indigenous Peoples Plan (IPP) under this project, and will meet the requirements of the OP 4.10 for the IPP. The VTDP will be disclosed in all affected local communities in a language understandable to them. Where broad community support is not ascertained, subprojects will not be implemented.</p> |
| Involuntary Resettlement OP/BP 4.12 | Yes | <p>Consistent with the original Project design, and the additional finance, no major loss of land or assets is likely to occur under the activities financed by the JSDF. Physical relocation of households is not allowed. However, the possibility of minor losses of private land or assets cannot be excluded, and the AF thus triggers OP 4.12, as was the case in the original Project. The Project seeks to minimize losses of land or assets in the first instance through sub-project selection and design. In those cases where minor losses of land or assets are unavoidable, it is expected that these will be primarily based on voluntary donations by the affected people and those voluntary donations will be fully documented. If their informed consent to donating assets is not obtained, an abbreviated Resettlement Action Plan (RAP) will be developed and compensation would be provided at replacement value as per the policies and procedures laid out in the ESMF. In exceptional cases</p>  |



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|  |    | where project impact is significant, a full RAP will be developed.  |
| Safety of Dams OP/BP 4.37                      | No | The JSDF financing, as the original NCDDP and additional financing, will not finance the construction of any new dams or the rehabilitation of existing dams including structural and or operational changes.   |
| Projects on International Waterways OP/BP 7.50 | No | This policy is not triggered. The JSDF, Enhancing Community Driven Development Project townships include Mawkmui township (Shan state) that is located on the Thanlyin and its tributaries, and Ponnagyun township (Rakhine state) that is located on a distributary & tributary in the delta area of the Kaladan River, shared with India. The Thanlwin and Kaladan rivers are considered international waterways as defined in OP/BP 7.50. However, the project will not finance sub-projects that involve the use or potential pollution of any international waterways including activities such as community water supply and sewerage, community drainage, small scale irrigation, pico-hydropower generations facilities and similar activities on the mainstream of the Thanlwin and Kaladan rivers or their tributaries or connected aquifers. Such sub-projects will be screened against criteria that will be included in the Project Operation Manual and ESMF and will not be eligible for JSDF financing. |
| Projects in Disputed Areas OP/BP 7.60          | No | No activities are planned in areas considered as disputed under OP7.60.   |

## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The project is rated category "B" in line with the WB OP/BP 4.01 on Environmental Assessment. The potential negative environmental and social impacts will come from the construction, operation and maintenance of the eligible sub-project activities funded by the project. Beneficiary community members will identify their own priorities from an open menu of activities. The list includes new construction, the rehabilitation and minor extension of small rural infrastructure, such as small roads, footpaths, small jetties and bridges, health centers, markets, school facilities,



culverts, the rehabilitation of small scale irrigation schemes (<25 ha) and water supply. The size and scale of these activities will be limited by the size of the block grants (US\$27,000 / village tract (4-6 villages) per year. Any sub-projects cost more than 40 million kyats (\$ 35,000) would require notification to the union level DRD and a prior no objection from the World Bank. The project will not finance sub-projects that involve the use or potential pollution of any international waterways including activities such as community water supply and sewerage, community drainage, small scale irrigation, pico-hydropower generations facilities and similar activities on the mainstream of the Thanlwin River and the Kaladan River or their tributaries or connected aquifers.

With respect to Environmental Assessment (EA) OP 4.01, potential environmental impacts will be negligible, or small, local and of low intensity. These impacts are primarily related to construction of sub-projects and can be prevented or mitigated through implementation of Environmental Codes of Practice (ECOPs) or Environmental Management Plan (EMP) that provided for good construction practices and planning. Such potentials impacts are related among other things to: (i) safety hazards including worker safety; (ii) dust, noise, vibration and access restriction; (iii) damage to forest or existing plantation or natural resources; (iv) impacts to PCR; (v) improper disposal of construction waste; (vi) temporary impacts to surface water or ground water and aquatic livings.

From NCDDP implementation experiences during year 1-3, cumulative impacts for the project as a whole at sub-project sites and regionally are considered to be insignificant given the small-size of the grants and the dispersion of resources over large and dispersed areas (i.e. around 5,400 villages in 27 townships during year 1 – 3). Cumulative impacts from JSDF funding activities are also expected to be insignificant.

Myanmar is one of the most ethnically diverse countries in the region. Officially, there are 135 recognized ethnic minorities. It is, therefore, expected that ethnic minority communities are present in areas where the project is implemented. The project, thus, triggers OP 4.10 (Indigenous Peoples). Consequently, participatory social assessments will be conducted in all project villages. With the support of community facilitators, screening and free, prior and informed consultations will be undertaken with villagers, including ethnic minorities, leading to broad community support. Other measures to mitigate the risk that ethnic minorities are not able to fully participate in project implementation and receive project benefits will include the recruitment of village volunteers elected from among ethnic groups who assist the community facilitator throughout project implementation, the involvement of ethnic minorities in the decision-making process in the village tract forum, the participation of ethnic minority representatives in village implementation committees and monitoring sub-committees, qualitative monitoring and beneficiary assessments that focus on ethnic minorities, among others, and the use of local languages in the dissemination of project related information. All elements of the social assessment required under OP 4.10 and the approaches to ensure free, prior and informed consultations with ethnic minorities are part of the participatory social assessment and are described in the ESMF. A separate Indigenous Peoples Plan will, therefore, not be developed under the project.

Sub-projects will finance the rehabilitation of existing, or the construction of new, small-scale rural infrastructure, and are unlikely to require acquisition of private land or loss of private assets. However, since sub-projects will developed on a demand driven basis, minor land acquisition or loss of assets cannot be fully ruled out. For this reason, OP 4.12 (Involuntary Resettlement) is triggered. If any land acquisition or asset loss is found to be unavoidable, measures to mitigate such impacts will be developed and implemented. It is expected that almost all impacts be addressed through voluntary donations by the affected people. If they are unwilling to donate assets without compensation, or if impacts that go beyond the threshold for voluntary donations occur, village tract forums, with the support of the community facilitator, will develop an abbreviated resettlement action plan (RAP). A full RAP will be developed only in the event that a sub-project displaces more than 200 people either economically or physically. Proceeds from the World Bank



grant cannot be used to pay for land acquisition or compensation.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:  
No indirect or long term impacts are anticipated.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Under the project, communities select and manage their own sub-projects. During sub-project preparation and implementation, beneficiary communities will receive technical support from DRD engineers and community facilitators in order to properly identify and adequately mitigate potential negative environmental and social impacts, and to address the special needs of marginalized groups, including women and minorities.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

This project will follow the Environmental and Social Management Framework (ESMF) prepared and adopted for the ongoing NCDDP operation. This document has served as the sole safeguard instrument for all activities financed under the NCDDP, including the original IDA grant, the additional IDA credit financing, parallel co-financing provided by other donors. The ESMF was updated to reflect lessons learned, include the additional financing components under this JSDF grant, and incorporate procedures for Physical Cultural Resources Management Plans as needed. The ESMF provides (i) the process and procedures for conducting the assessment of environment and social impacts of specific sub-projects and activities during project implementation once investments are proposed; (ii) the requirements and process for screening and assessing sub-project eligibility and potential impacts; and (iii) the identification and implementation of mitigation measures while following relevant World Bank safeguards policies and existing environmental protection laws, regulations and standards in Myanmar. Sub-projects that involve the use or potential pollution of any international waterways including activities such as community water supply and sewerage, community drainage, small scale irrigation, pico-hydropower generations facilities and similar activities on the mainstream of the Thanlwin River and the Kaladan River or their tributaries or connected aquifers, will not be eligible for project support and will be screened against criteria that will be included in the ESMF and the Project Operation Manual. Given the small scale and limited impacts envisaged for the proposed investments, Environmental Codes of Practice (ECoPs) and/or simplified Environmental Management Plans (EMPs) will be the safeguards instruments used to reflect, assess, mitigate and monitor for any possible impacts related to subprojects. Any sub-projects larger than 40 million kyats (ca. \$35 ,000) would require notification to the union level DRD office and a prior no objection from the World Bank to screen potential environmental and social risks associated with sub-projects of this size. The ESMF contains an Indigenous Peoples Planning Framework and a Resettlement Framework to manage social safeguards impacts.

The borrower has been implementing World Bank safeguards policies satisfactorily under the NCDDP. The government has dedicated staff responsible environmental safeguards, social safeguards, grievance redress mechanism and gender, who are knowledgeable and experienced in implementing the ESMF. The national level project management unit conducts regular training on environmental and social safeguards for staff who work at the village level. As a result, staff at the village level are competent at screening for environmental and social safeguards risks, and escalating as necessary.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

In addition to the requirements for free, prior and informed consultations outlined above, the ESMF and Operations



Manual contain specific guidance and requirements for consultations with potentially affected people, consistent with the bottom-up approach and planning cycle of the project. The revised draft ESMF was disclosed on the website of the Department of Rural Development in English and Myanmar language and the project management held consultations on the draft ESMF in Yangon, Naypyidaw and Mandalay with government and civil society stakeholders. Furthermore, sub-project documentation relating to safeguards are disclosed in the affected communities. The final version of ESMF in English and Myanmar was disclosed on DRD's website on December 18, 2019, and on the World Bank website on October 16, 2020. A previously disclosed version of the ESMF has been updated to incorporate criteria for exclusion of sub-projects that involve the use or potential pollution of any international waterways including activities such as community water supply and sewerage, community drainage, small scale irrigation, pico-hydropower generations facilities and similar activities on the mainstream of the Thanlwin River and the Kaladan River or their tributaries or connected aquifers and was re-disclosed on the DRD's website in Dec 2019 and the World Bank's website in Oct 2020.

The project design has specific requirements, including for representation of gender, ethnic and religious minorities, as applicable, and other vulnerable groups in the villages. Moreover, as part of the technical design and safeguards planning, village tract forums and village implementation committees will consult with the households potentially affected by a sub-project before the village tract forum approves it. These consultations will be done in a culturally appropriate manner, documented and included in the subproject documentation, and disclosed locally.

The project also supports annual public forums (multi-stakeholder reviews) across the country to widely share experiences and lessons emerging from project implementation, including with regard to governance and anti-corruption measures. These forums will provide a space for the government to hold a dialogue with non-state actors on community development, and will serve to discuss ways to improve the project's design and implementation.

## B. Disclosure Requirements

### Environmental Assessment/Audit/Management Plan/Other

| Date of receipt by the Bank | Date of submission for disclosure | For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors |
|-----------------------------|-----------------------------------|--|
| 18-Dec-2019                 | 16-Oct-2020                       |  |

### "In country" Disclosure

Myanmar

18-Dec-2019

Comments

### Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank

26-Oct-2017

Date of submission for disclosure

14-Nov-2017

**"In country" Disclosure**

Myanmar

06-Nov-2017

Comments

**Indigenous Peoples Development Plan/Framework**

Date of receipt by the Bank

26-Oct-2017

Date of submission for disclosure

29-Nov-2017

**"In country" Disclosure**

Myanmar

06-Nov-2017

Comments

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)****OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.04 - Natural Habitats**

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

No

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes



Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

**OP/BP 4.10 - Indigenous Peoples**

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

Yes

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



## All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

## CONTACT POINT

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### Borrower/Client/Recipient

Republic of the Union of Myanmar

### Implementing Agencies

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**APPROVAL**

|                      |                                  |
|----------------------|----------------------------------|
| Task Team Leader(s): | Ingo Wiederhofer<br>Sean Bradley |
|----------------------|----------------------------------|

**Approved By**

|                           |                   |             |
|---------------------------|-------------------|-------------|
| Safeguards Advisor:       |                   |             |
| Practice Manager/Manager: | Susan S. Shen     | 25-Oct-2020 |
| Country Director:         | Mariam J. Sherman | 25-Oct-2020 |