



CHURCH WORLD SERVICE

**Burma Humanitarian Assistance Program:
Semi-Annual Report June 2, 2011**

Livelihood Recovery & Food Security

Program Name	Burma Humanitarian Assistance Program: Livelihood Recovery & Food Security
Cooperative Agreement Number	AID-486-A-00-10-00007
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Submitted To	US Agency for International Development (USAID)
Submitted By	Church World Service (Sub-grantee: Proximity Designs)
Reporting Period	November 7 th 2010 to May 6 th 2011

A. Details of current progress achieved towards objectives, keyed to project indicators

1. Community Infrastructure Works/Job Creation

Objective: To support community-led implementation of 201 village infrastructure projects.

The infrastructure projects are designed to simultaneously:

- 1) Create wage employment for jobless villagers during the leanest part of the cropping seasons (August-September and March-April) when on-farm jobs are most scarce;
- 2) Repair or replace critical community infrastructure damaged by Cyclone Nargis and;
- 3) Strengthen social capital in villages. Led by a representative village committee, projects will employ innovative and proven mechanisms that build transparent management, community ownership, accountability, good governance and trust.

Outcomes	Indicator	Unit of Measurement	Baseline	Target	Achievement
Increased wage employment opportunities for vulnerable households through implementation of 201 community infrastructure projects	Number of person/days of wage employment	Number	0	Average 500 days of wage labor created per project	<p>-Labor data has been calculated for 174 projects to date. 123,799 person/days were created in total for those projects (an average of 711 person/days per project).</p> <p>-(At the end May 2011, a total of 238 projects have been completed- 125 footpaths, 30 bridges, 13 canals, 29 dams, 28 embankments, and 13 jetties. Detailed data on remaining projects will be reported in the next report).</p> <p>[REDACTED]</p> <p>[REDACTED]. We employed a total of 15,683 workers, with an average of 90 workers per project. 76% of total workers were male, and 24% were female. 91% of locally-hired project bookkeepers were female.</p>
Improved infrastructure increases travel safety in/between villages	Percent of survey respondents reporting increased safety due to infrastructure	Percentage	0	75% of respondents report increased safety with infrastructure project	Data will only be available upon conclusion of project evaluation (research to be conducted in July 2011, report completed by August 2011)
Increased access to markets, schools, health care, communication, and services	Percent of survey respondents reporting increased/easier access to	Percentage	0	75% of respondents report increased/easier access to markets,	Data will only be available upon conclusion of project evaluation

	markets, schools, health care, communication, and services			schools, health care, communication, and services	
Decreased travel time	Average decrease in travel time attributable to infrastructure projects	Number	Previous travel time (minutes)	Average 15 minutes reduced travel time	<i>Data will only be available upon conclusion of project evaluation</i>
Capacity building through the transparent and efficient functioning of representative CBO implementing the project	Distribution of transparency fliers and satisfaction of villagers with the implementation process	Percentage	0 0	90% of survey respondents report receiving transparency fliers 90% of survey respondents report satisfaction with project implementation	<i>Data will only be available upon conclusion of project evaluation</i>

2. Farmer Advisory Services in Integrated Crop Management

This component was taken out with modification granted on April 25th 2011.

3. Emergency Food Rice During Lean Periods

This component was taken out with modification granted on April 25th 2011.

4. Agricultural Financing for Small Farmers

Objective: To provide \$102 (approx. 102,000 kyats) crop loans to 5,500 cash-strapped small-plot paddy farmers.

Outcomes	Indicator	Unit of Measurement	Baseline	Target	Achievement
Increased access to capital for small plot farmers owning 5 acres of land or less	Number of \$102 loans distributed to small plot farmers	Number	0	5,500 loans provided	<i>5,556 Summer Loans distributed. 5,556 Monsoon loans were collected by January 2011. (total of 11,112 loans provided)</i>

Increased on-farm productivity for loan recipients	Amount of increase in yields attributable to agricultural inputs made accessible by the loan	Number	Yields expected without access to capital	Increased average yields of 10 baskets total attributable to loan in the summer season Increased average yields of 10 baskets per acre in the monsoon season	<i>Data will only be available upon conclusion of project evaluation</i>
Increased savings from avoiding high interest rates offered by regular credit sources	Decrease in amount of interest paid to creditor	Number	\$60 to \$120 in interest fees on average \$100 loans available to small farmers	Loan recipients will save an average \$50 on interest fees	<i>Data will only be available upon conclusion of project evaluation</i>
Increased on-farm employment opportunities	Percent of loan recipients reporting spending cash from the loan to hire on-farm labor	Percentage	0	40% of loan recipients will spend some cash to hire on-farm labor	<i>Data will only be available upon conclusion of project evaluation</i>
Capacity building through the transparent and efficient functioning of representative CBO implementing the project	Percent of loan recipients reporting transparent and effective functioning of the CBO	Percentage	0	90% of loan recipients will report on the effective functioning of the CBO	<i>Data will only be available upon conclusion of project evaluation</i>

5. Others

During the reporting period Church World Service/Proximity Designs (CWS/PD) has also conducted the following:

- Facilitated Government Accountability Office (GAO) visit in January 2011 both in Bangkok/Thailand and in Burma.
- Conducted organizational lessons learnt workshop with CWS/PD management in Rangoon with the objective “to ensure that lessons from past joint initiatives undertaken by CWS-Asia/Pacific and PD are well captured and documented, so that they could be used to enhance the quality of the joint intervention in this current project (what worked well, what the challenges and/or barriers to success were)”. The report has been generated with action points shared between two parties.
- One PD program staff was trained on vegetable seeds and harvest techniques at The World Vegetable Center – AVRDC in Bangkok, Thailand from September to November 2010.

- Two PD finance officers have attended a training course on Financial Management of USAID/CDC Awards (organized by Center for Development Excellence - CDC) held in Manila, Philippines in September/October of 2010.

B. Problems encountered (challenges and modifications)

The program will no longer implement two interventions: farmer advisory services and food rice distribution. The funds from both these activities will be rerouted to community infrastructure works. Below is the reasoning for these modifications (already approved and granted by USAID), which we explained in the modification request:

Changes to Activity 1) Community Infrastructure Works/Job Creation

Instead of the original proposed 30 village infrastructure projects, under the modification, we will be able to complete a total of about 201 projects. These include 161 footpath projects, and about 40 jetties, footbridges, and water sluice-gates/embankments. For the footpath project villages, a ‘double investment’ will occur – half the project activities will occur in one lean season, and half the project activities in the next lean season (Feb/March). This will provide a stimulus to the same communities at two crucial times. Given the modification in the program, there will also be a change in the results. Our impact on communities will be much greater than originally planned, as we will be available to provide wage employment and infrastructure to 201 communities, as well as to countless other villages who will benefit indirectly from the stimulus to the local economy (for example, from the footpaths, which often serve to connect many villages within a village tract).

Changes to Activity 3) Food rice during lean periods

At the time when the proposed program was written up, we felt the strategy of distributing food rice to vulnerable households during the “hungry, lean” season would not be problematic to implement. Recovery work from “Nargis” was still politically acceptable to the government then and we were able to distribute food rice without problem up until March-April 2010 – our last time of rice delivery.

However, during August and Sept 2010, when we were scheduled to deliver rice under this grant, the political feasibility and climate around distributing food rice changed. The Tri-partite Core Group was no longer operative in the Delta and the official government view was that “Nargis” recovery was over. In late August 2010, the Ministry of Social Welfare made a large announcement to the UN/NGO community in Burma, essentially cancelling the MOU of any NGO working with the Ministry of Social Welfare in the Delta on Nargis recovery projects. While CWS/Proximity is not affected by the announcement, we expect that numerous NGOs will be scaling back on activities in the Delta, and as such, the need for assistance is made greater. It was also a signal of changes in humanitarian activities in the Delta. The word, “Nargis” to describe programs in the Delta was no longer accepted. Township officials put up obstacles and did not want us to deliver food rice – they said it was too sensitive and would require approval from higher-ups at the time. In essence, it was a tense environment in the face of the November 2010 elections. We felt that trying to get permission from the District or Commander would take too long and would be problematic. CWS/Proximity did not want to delay getting this important life-line out to vulnerable villagers who were desperate for work and cash to buy food.

In August-September 2010, we were able to switch quickly to undertake cash-for-work activities in the villages targeted for food rice delivery, so the timing was strategic for the “lean, hungry” season. As CWS/Proximity undertook cash-for-work projects, we were surprised to find how much the villagers appreciated this work during this critical time. We heard a lot of important feedback from villagers expressing how they preferred this cash-for-work to hand-outs of rice. With this in mind and with more experience gained over the past year, we have come to the conclusion that if possible, taking on cash-for-work instead of rice delivery (within the same “lean” season) is a preferred option for the following reasons:

- **Political feasibility.** Village infrastructure work is politically more acceptable to all levels of authorities than food rice hand-outs. The local authorities are simply not open to food rice distribution activities.
- **Double benefits.** The villagers themselves prefer cash-for-work due to the double benefits it brings i.e. wage jobs close to the village AND the creation of a lasting, productive economic asset.
- **Better targeting.** We are better able to target vulnerable households who are in most need of wage jobs. With the food rice distribution, we found through experience that we needed to adhere to universal coverage of village households because it would otherwise create too much social division among villagers that would prove costly in the end. With the cash-for-work activities, we are finding that we are able to target the most needy households by calibrating the wage rates (i.e. setting lower rates) so that villagers with other income options would not be attracted to the cash-for-work. The needy households who did work gained more assets than with food rice transfers. With the food transfers, one household would have received one 50-kg bag of rice whereas with the cash-for-work project, one household with two members working would earn an average of \$30 (which could buy about two bags worth of rice).
- **Not a hand-out.** Cash-for-work is not perceived as a hand-out; it preserves the village’s dignity and has brought villagers together in a practical way to build trust and enhance community.
- **Provides practical experience for village committees.** We have grown more confident in our experience and ability to work through a network of strong, village committees (over 1,000) with whom we’ve worked since 2008. We have found ways to easily monitor the work of these committees and have piloted innovative ways to achieve good governance, fairness, transparency and accountability.
- **Cash provides ultimate choice and flexibility to households.** It is true that both food rice transfers and cash from wages will reduce people’s reliance on high-interest loans for daily food needs during the lean season. However, cash is preferred because it allows for greater choice and decision-making by households.

Changes to Activity 2) Farmer advisory services

As with all INGOs carrying out humanitarian work in the country, we operate under a Memorandum of Understanding (MOU) signed with a technical line ministry, i.e. the Ministry of Agriculture and specifically with the Ministry’s Agricultural Extension Services department (MAS).

With Proximity’s Farmer Advisory Services activities, we have to draw on the technical expertise of the MAS at the local level. The MAS has Western-trained plant pathologists, a PhD nematologist, soil specialists and agronomists who are all tasked with diagnosing field problems and recommending appropriate solutions for paddy farmers. Since USAID guidelines preclude the use of funds to support the costs associated with getting MAS technicians to farmers’ paddy fields, as well as the honorarium costs of having them conduct training sessions for farmers, CWS/PD believes it will not be able to effectively provide Farmer Advisory Services to villages. Therefore, as of July 2010, we omitted these activities from our grant. Given the situation, we requested USAID to remove FAS from the project in total. We aim to shift all previous committed funds for this component [REDACTED] to infrastructure projects. [REDACTED]

[REDACTED] We plan to move [REDACTED] to the infrastructure/cash-for-work section of the program, in order to scale up, with additional infrastructure projects in the five project townships.

Other significant programmatic changes

As discussed during a meeting between Proximity Designs, CWS, and USAID on August 24th 2010 and October 12th 2010, we shifted all project activities away from Kungyangon Township due to political issues with the township authorities. We therefore request that funds previously dedicated to Kungyangon be shifted to the remaining five townships in our program. We plan to scale up activities in the five remaining townships by providing additional loans/agricultural financing and more community infrastructure projects. Until the situation changes drastically which enables CWS/PD to implement in this Township, CWS/PD will implement with the above suggested modifications.

With above requested changes to the program, the new beneficiary targets have changed as follows (the

	Community infrastructure	Emergency food rice during lean period	Agricultural financing	FAS

modification was officially approved on April 25th with modified contract/project document received from USAID/RDMA procurement department):

Estimated Outputs (Revised) Total: 78,721 Male: 41,425 Female: 37,296	201 community infrastructures built = 14,633 families provided with cash for work opportunities = 73,165 individuals Male: 50% - 36,582 Female: 50% - 36,583	NA	5,556 small plot farmers receive USD 102 loans. Male: 4,843 (87.2%) Female: 713 (12.8%)	NA
Original Plan Total: 337,684 individuals Male: 182,660 Female: 155,024	<ul style="list-style-type: none"> 30 projects x 72.8 = 2,184 Male: 1,704 Female: 480	<ul style="list-style-type: none"> 60,000 households = 300,000 Male: 150,000 Female: 150,000	<ul style="list-style-type: none"> 5,500 farmers Male: 4,796 Female: 704	<ul style="list-style-type: none"> 30,000 farmers Male: 26,160 Female: 3,840

In addition to the various modifications our program encountered weather-related obstacles. On March 14th, 15th, and 16th, the Delta was hit by high winds and very heavy rains, at a very unusual time of the year. The rains were very strong, and very unexpected. Early reports suggested that as many as 7,000 – 9,000 fishermen were dragged out to sea when the heavy rains and heavy winds caused severe waves at the mouth of the Delta. At this time of the year, thousands of fishermen seasonally migrate to the mouth of the Delta to catch fish and prawns. They live aboard very basic rafts made out of bamboo and are very vulnerable to the weather. This year during the unusual rains, thousands were dragged out to sea. Many were rescued but there are still hundreds if not thousands of men missing.

At the time of submission of this report, we are still learning about the drastic effects these rains had on crop production, harvesting, and food/grain stores. The rains had a direct impact on our projects. The production of *di-loun* (bricks) in villages was ruined, as the bricks became wet and could not be baked in local kilns. The rain also had an impact on local labor markets for our cash-for-work activities. Labor participants had to rush back to their fields very quickly to deal with the rains; many summer paddy growers had to harvest their plants immediately, because the rains arrived with the maturing of the plants.



C. Success stories

The following success story documents the impact already achieved by the agriculture loan component of the program:

U Myint Than | Chan Kyaung Village, Thazin Ngu Village Tract, Bogale Township

“My name is U Myint Than and I am a paddy farmer. My wife, Daw Aye Thein, and I have three children and there are a total of eight members in our family. With so many family members, our family is never well-off. My wife has mental health issues, and this worsens the situation, as I often have to take the role of both mother and father for all of my children. Before I received loans from Proximity, our family had a really desperate situation. Since my eldest child is a girl, she could not help effectively with work on our farm. I did not have enough capital to hire any workers to help me farm my four acres of land.

“Even though I am a landowner, I sometimes feel as if I’m as vulnerable as a landless person. Last year, my eldest daughter had to stop schooling in order to work with me on the farm. Our family needs 16 cups of rice daily for the whole family. The cost of our daily food is 3,000 kyat (US\$3.52). Last year during the monsoon season, we borrowed money from our friend in the village for food and farming, but did not have any collateral to put down. So instead we borrowed the money with ‘basket interest’ – in other words, if you borrow one basket of rice in the monsoon, you have to give back two baskets to the lender when summer paddy is harvested. I borrowed 50 baskets of rice with basket interest that year. Moreover, last year I borrowed a total of 300,000 kyat with 8% monthly interest for farm investments. I borrowed a little by little at each time. I used the borrowed money for five months, so the interest totaled 120,000 kyat. Unfortunately, my paddy yields were not good last year. My lack of knowledge of farming technology exacerbated my situation. My total yield was 100 baskets from 4 acres, which is very low.

“My son is in grade seven. This year, according to Burma tradition, he had to give 500 kyat (US\$0.60) for giving homage to teachers at his school. At that time, I did not have any cash, I was very embarrassed, but I was not able to give him cash. That day, he ran away from school and did not attend. He was ashamed that he could not contribute. I had to search for him all over the village, and I was lucky that I found him late in the evening, hiding in the home of another villager.

“I had no idea what to do, given my financial situation and heavy indebtedness. I still had interest payments to make. If I was not able to pay back the loan at that time, I would have to give two and a half baskets in payment the next summer. Because of this extremely high cost, I returned the loan with basket interest. For the remaining credit, I requested the lender that I would only pay back when next year’s paddy is harvested. Since the lender gets more money from interest, he did not deny my request. I was fortunate enough that the paddy yield later that year had increased. The total yield from four acres of land was 250 baskets. As soon as I could sell my rice, I paid back all of my loans.

“Before Nargis, I did not have a buffalo. I had to borrow two buffaloes for the price of 50 baskets of rice for a year of use. Since I could not invest significantly in fertilizers, the yields were not satisfactory. When my paddy was harvested, a great portion of the yield went to pay for borrowing the buffalo. After Nargis, Proximity began providing power tillers to us to be managed by our village committee; this helped me reduce the cost of borrowing buffaloes. In addition, at that time Proximity distributed fertilizers and urea.

“This year, I received a loan from Proximity during the monsoon season. This was extremely helpful for me. Prior to getting a Proximity loan, I did not have enough income to invest in my fields with labor. If I didn’t get the interest-free loan from Proximity I would have to obtain a loan from others at a very high

interest rate, or cultivate paddy with wide spaces, which would drastically decrease my yields. With the Proximity loan money, I hired laborers from my village to help me cultivate my plots, and also I hired tractors. The Proximity loan helped me reduce my debt by reducing my reliance on other loans with high interest. During this summer, I will reduce 35,000 kyat interest by borrowing money from Proximity. In next monsoon, I could reduce another 35,000 kyat interest with the help of Proximity.

“The benefits of the Proximity loan program have been immense. Currently, my family has paddy for food and excess money for school fees and clothing. Previously, our family could only afford to buy one viss of *nga pi* (fish paste) for the monsoon season. However, this year we plan to buy 30 viss. If Proximity continues to support farmers seasonally, I am sure that the living standards of farmers would be back to that of the golden age in five years time.

“In addition, Proximity is helping farmers by providing new and affordable farming technology, such as salt water seed selection. Farmers are experimenting with and implementing some of the technologies right now. It is very difficult for us farmers to experiment with new technologies and techniques because although we want to try new techniques and get higher yields, we are reluctant to take risks because we simply don't have enough income stability to do so. I think that the loans Proximity provides allow farmers to experiment with new farming technologies. Most important of all, Proximity provides loans at the right moment of needs for farmers. Therefore, all of my loans were invested in my farm, rather than wasted on other unnecessary items. This summer, I will be buying fertilizers with Proximity's loan. If I can buy four bags of urea fertilizer with my loan, I do not need to borrow additional money. I am really glad about the situation. I always wish that Proximity would be more successful, Proximity could support farmers more and that Proximity staff would always be healthy.”