



CHURCH WORLD SERVICE
Asia / Pacific

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Final Report: USAID Burma Humanitarian Assistance
Program: Livelihood Recovery and Food Security
CWS-Asia/Pacific and Proximity Designs
AID-486-A-10-00007

A. General Details

Reporting period	07 May 2010 – 07 November 2011
Location of Project	Locations: Labutta, Mawgyun, Bogale, Pyapon, Dedaye, and Kungyangon Townships, in Ayeyarwady Division
Total project duration	18 months
Start date of the project	07 May 2010

1. Submission Date

6 February 2012

2. Reporting Period

07 May 2010 – 07 November 2011

3. Background to the program

The loss of cattle, rice stocks, homes, savings and other village structures during Cyclone Nargis severely damaged rural households' production potential and ability to recover from future shocks. On the heels of Nargis came the global economic downturn, which caused farm-gate prices to plummet and credit to dry up. A series of pest infestations -- rats, brown plant hoppers and ufra nematodes -- also attacked subsequent rice crops, lowering yields and deepening food insecurity. In 2009, it was reported that only 3 percent of households in the Delta relied on their own production of food for subsistence, with remaining households purchasing their food.¹ Debt levels were- and still are- alarmingly high with over half of households taking on debt to merely purchase food. The poor condition of farms and households suggested that without additional help, many would lose their land due to debt. Those without land were having difficulty finding work and affording food. It was not uncommon to find families reduced to one meal of rice gruel or broken rice per day in the Nargis-affected areas.

At the end of 2009, farmers cited the inability to access capital – to purchase inputs and labor – as the primary factor limiting their recovery.² Farmers who eked out a living by borrowing at 10 percent monthly interest are even today unable to access credit at that rate. This problem is especially acute for small farmers who typically can only get credit at exorbitant interest rates (up to 20 percent per month).³ The impact on the rural economy and livelihoods is far-reaching: the scale and intensity of cultivation is reduced, as are employment opportunities for landless households. This led to lower agricultural output. As

¹ “A summary of the Findings of the WFP Delta Food Security Assessment & The FAO Delta Crop Assessment: November 2009”, pg.14.

² WFP/FAO, pg.8.

³ “Post-Nargis Social Impacts Monitoring: June 2009”, pg.31.

farmers have been squeezed by unfavorable crop prices, poor or stagnant yields, and periodic natural shocks, their ability to recover has been further eroded- even now, over 3 years later.

Summary of Recovery Assistance

CWS/Proximity's proposed activities in the Delta initially focused on four interventions over three rice cropping seasons (18 months): 1) creating immediate wage labor jobs through community infrastructure works, 2) providing emergency food rice to address seasonal food gaps, 3) providing agricultural financing for small farm households, and 4) providing farmer advisory services to address immediate pest/soil fertility problems and increase yields. Modifications to the original program plans are described in detail below but the farm advisory service was removed in July 2010 and rice distribution was removed after April 2010.

4. Activities During the Program

1. Community Infrastructure

Implementation of community infrastructure projects began in September 2010, after the monsoon rains finished. From September 2010 to November 2011, we completed a total of 396 projects. These included 300 footpath projects (including 128 footpath upgrade projects), 68 bridge projects, 25 jetty projects, 1 embankment project, and 2 sluice gate projects.

- The geographical distribution was as follows: 69 projects were completed in Bogale, 96 in Dedaye, 72 in Labutta, 72 in Mawgyun, 82 in Pyapon, and 5 in Kungyangon.
- We created a total of **214,783** person-days of labor, with an average of **542** person-days per project. Footpath projects required less expenditure on skilled laborers, and therefore, had a higher average person-day count for local laborers – about **622** person-days per footpath project.
- The average cost per project was **2,981,497** Burma Kyat (USD\$ 3,847 at the exchange rate of 775).
- We employed a total of **27,533** workers, with an average of **70** workers per project. **75%** of total workers were male, and 25% were female. 93% of locally-hired project bookkeepers were female. Footpath projects had an average of **84 workers per project**.

2. Emergency Food Rice During Lean Period

In consultation with USAID, CWS/Proximity removed emergency rice distribution from the program after April 2010. It was agreed that the funds from this project area would be re-allocated to community cash for work infrastructure projects.

The primary reason for removing emergency rice distribution was that the political situation surrounding food distribution in Nargis-affected areas changed dramatically when the government announced that Nargis recovery was over. Township officials began putting up obstacles and did not want CWS/Proximity to deliver rice, saying that it was too sensitive and would require approval from their superiors. It was a tense environment in the run up to the November 2010 elections, and we felt that it would be too problematic to try and obtain permission from the District level that could have caused an unnecessary delay in getting help to the communities. It was also as a result of direct requests from the beneficiaries in villages across the Delta and subsequent needs assessment in consultation with the communities that we decided to re-allocate the funds. As the Delta slowly recovered from Nargis, food availability became less of a problem, while access to food remained a large one. Communities requested that we do more cash-for-work infrastructure creation projects, as they have the double benefit of providing cash incomes directly into the hands of the most vulnerable, during difficult pre-harvest times, while also creating much needed

basic infrastructure to help connect villages to other villages, markets and services, improving economic connectivity and creating an enabling environment for improved livelihoods.

3. Agricultural Financing for Small Farmers

During the reporting period, three rounds of loans were disbursed – there were two monsoon season loans, and one summer season loan. The total number of all loans made was 16,842. They were disbursed to a total of 10,334 different customers. There were 8,789 Male customers (85%) and 1,545 female customers (15%). Please note, that while this does not appear to represent an equal gender balance, most of this can be attributed to the fact that loans were made in the official name of the head of the household – which in rural Burma is nearly always the male.

Loans were always in the amount of 1 Lakh, or 100,000 Kyat. [REDACTED]

[REDACTED] The 1 Lakh Loans were used for farm financing for rice farmers, and they were collected after the harvest times of summer and monsoon. Some farmers received 2nd round and 3rd round loan disbursements throughout the 3 cycles of the loan program. Among the 16,842 loans given to 10,334 customers, there were 5,315 customers who received a loan for one cycle, 3,530 received a loan for two cycles, and 1,489 customers who received a loan for all three cycles of the project period.

We distributed loans as follow: 3,261 loans to 1,963 customers in Bogale, 3,824 loans to 2,233 customers in Dedaye, 2,010 loans to 1,591 customers in Laputta, 4,426 loans to 2,611 customers in Mawgyun, 3,321 loans to 1,936 customers in Pyapon.

4. Farm Advisory Services

Farm Advisory Services (FAS) activities were conducted from 07 May to July 2010 only, with 11,005 farmers attending educational sessions in Kungyangone, Dedaye, Pyapon, Mawlawmyinegyun, and Bogale townships. However, as previously reported, after July 2010, due to political reasons, activities ceased. From August 2010, we altered our work plan in discussion with USAID to remove FAS activities from this project. Please see section 5) Challenges & Modifications for more detailed information.

5. Branding and Marketing

We had limited distribution of USAID branded/marked objects throughout the project. USAID's logo was included on "transparency flyers" detailing project objectives, budgets, and responsible persons. These flyers were distributed to every household in every village of implementation. As previously reported, the project period coincided with a particularly sensitive political period in the months leading up to the November 2010 election, as well as the unsteady months afterwards before the new government stepped in. During this time, Proximity and CWS assessed the risk, and decided that distributing branding materials, such as stickers, t-shirts, etc. would be too risky. USAID branding was used and USAID was mentioned on communication materials wherever possible- for example, in our newsletter, our overall Burma program document and on the concrete sign in the village (pictured in Annex 1).

6. Capacity Building for Proximity Designs

Proximity Designs and/or CWS, as part of the agreed training plan, attended the following trainings and workshops:

‘Vegetables: from Seed to Table and Beyond’ Course- Bangkok

One member staff from Proximity attended the above course in Bangkok in October 2010 in order to build their capacity in an important program area. [REDACTED]

Lessons learned workshop- Yangon

The objective of the lessons learned process conducted in March 2011 was to ensure that lessons from past joint initiatives undertaken by CWS-Asia/Pacific and Proximity Designs– what worked well, what the challenges and/or barriers to success were- are well captured and documented, so that they can be used to enhance the quality of the joint intervention in this project, as well as any future programs. CWS/Proximity hired an independent consultant to facilitate the process to ensure neutrality and encourage more openness. The process also touched upon the overall project cycle. [REDACTED]

Procurement Planning & Execution: USAID Grant and Cooperative Agreements Workshop- Hanoi

2 members of staff from Proximity Designs attended this training workshop in Hanoi, Vietnam on 22-24 March. It was agreed that this would replace the initially planned financial compliance training as we felt that the staff members would benefit more from a USAID-specific training course. [REDACTED]

Proximity University- Yangon

Proximity University is Proximity's annual two-week training course for all Proximity staff. Staff members from all areas of the organization attend trainings and courses on a wide variety of topics, from government relations to storytelling to finance reporting skills, as well as technical topics such as updates on new irrigation technology. [REDACTED]

5. Progress Towards Outcomes

Community Infrastructure Works/Job Creation

Outcomes	Indicator	Unit of Measurement	Baseline	Target	Achievement
Increased wage employment opportunities for vulnerable households through implementation of 30 community infrastructure projects	Number of person/days of wage employment	Number	0	Average 500 days of wage labor created per project	<i>214,783 person/days were created in total. There was an average of 542 person/days per project, from a total of 396 projects.</i>

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	<ul style="list-style-type: none"> • 86% of villagers and laborers of infrastructure projects (276 respondents out of 320 total respondents) responded that they felt there was increased safety with the rehabilitated infrastructure. • 91% of CBO members (187 out of 204 total respondents) responded that they felt there was increased safety with the rehabilitated infrastructure. • Overall 88% (463 out of 524 respondents) reported there was increased safety with the rehabilitated infrastructure.
Increased access to markets, schools, health care, communication, and services	Percent of survey respondents reporting increased/easier access to markets, schools, health care, communication, and services	Percentage	0	75% of respondents report increased/easier access to markets, schools, health care, communication, and services	<ul style="list-style-type: none"> • 97% (506 out of 524 total respondents – incl. CBO members, laborers and villagers) responded that the infrastructure has improved and changed their lives for the better. • Respondents could choose from a list of ‘benefits’ the project brought them. They could choose as many as they felt applied to them. They responded as follows: <ul style="list-style-type: none"> ❖ Increased access to communication - 81% (408/506) ❖ Reduced isolation/widened social network/increased communication - 53% (270/506) ❖ Increased access to ownership of transportation assets - 38% (190/506) ❖ Improved access to market - 31% (153/506) ❖ Raised social status/dignity (able to travel to school, monastery, etc. without getting muddy) - 21% (104/506) ❖ Easier to get farming and business inputs - 13% (68/506) ❖ More customers for business - 13% (65/506)
Decreased travel time	Average decrease in travel time attributable to infrastructure projects	Number	Previous travel time (minutes)	Average 15 minutes reduced travel time	<ul style="list-style-type: none"> ➤ 49% (158/ 320) of laborers responded that they can save an <u>average 25 minutes</u> on their travel time to school, market, health care center, nearby township and nearby villages.
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	90% of survey respondents report receiving transparency fliers. 90% of survey respondents report satisfaction with project implementation	<ul style="list-style-type: none"> • 84% (444 out of 524 total respondents) responded that they received transparency fliers. <ul style="list-style-type: none"> - 77% of laborers (245/320) received fliers - 98% of CBO members (199/204) received fliers ➤ <u>Satisfaction upon location of projects</u> <ul style="list-style-type: none"> ➤ 98% (514/524) of overall respondents were satisfied with the location of project <ul style="list-style-type: none"> • 98% of CBO members (200/204)

					<p><i>responded that they were satisfied the location of project.</i></p> <ul style="list-style-type: none"> • <i>98% of laborers and villagers (314/320) responded that they were satisfied with location of project</i> <p>➤ <u><i>CBO members' satisfaction with the functioning of the CBO</i></u></p> <ul style="list-style-type: none"> ➤ <i>89% CBO members (182/204) were satisfied with the openness, transparency and negotiations on the CBO.</i>
<p><i>Project evaluation research for Community Infrastructure Works/Job Creation was conducted in September/October 2011, in 5 townships, 40 village tracts, and 48 villages. There were 524 total respondents' surveys, 204 were CBO members and 320 were laborers, villagers and/or farmers. There were some unforeseen issues arising but the full research report will be completed by end of March 2012.</i></p>					

Agricultural Financing for Small 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 \$100 loans distributed to small plot farmers	Number	0	5,500 loans provided	<p>In the 1st cycle, 5,556 received monsoon loans.</p> <p>In the 2nd cycle, 5,556 received summer loans.</p> <p>In the 3rd cycle, 5,730 received monsoon loans.</p> <p>Please see Section 3.C for more detailed information.</p>
Increased on-farm productivity for loan recipients	Amount of increase in yields attributable to agricultural inputs made accessible the loan	Number	Yields expected without access to capital	<p>Increased average yields of 10 baskets total attributable to loan in the summer season</p> <p>Increased average yields of 10 baskets per acre in the monsoon season</p>	<p>➤ 2010- 2011 summer season paddy</p> <ul style="list-style-type: none"> • 53% (111 / 208 total respondents) reported increased summer paddy. The median value of increase of those 53% was 20 baskets per acre. The average value of increase of the 53% was 18 baskets increased per acre. <p>➤ 2010 monsoon season paddy</p> <ul style="list-style-type: none"> • 66% (137/ 208 total respondents) reported increased monsoon paddy. The median value of increase of those 66% was 10 baskets per acre. The average value of increase of the 66% was 14 baskets per acre. <p>We feel that it is important to note here that there are multiple challenges that farmers in Burma have to face that can have a negative impact on their yields. A pest invasion for example could wipe out your field in less than a week.</p>
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	<p>Our loan customers paid a one-time 5,000 Kyat service fee for their 100,000 Kyat loan.</p> <p>Local going rates for borrowing from local private moneylenders are 10% monthly, for a 5-6 month loan over a growing season. This is equivalent to 50-60,000 Kyat in fees. This is often accumulative so often the costs to the customer are even more than this. Our customers saved at</p>

					<p>least 45,000 - 55,000 Kyats, equivalent to \$58 - \$70 (at 775 Kyat exchange rate)</p> <p>Other achievements:</p> <ul style="list-style-type: none"> ➤ 2010- 2011 summer season paddy <ul style="list-style-type: none"> • 86% (178/ 208 total respondents) responded the loan came on time to buy farming inputs. • 63% (130/ 208) responded that they took out a loan from other sources besides Proximity. [Note: Under normal circumstances, this number would probably be closer to 100% as farmers in Burma are deprived of credit. This 63% suggests that some farmers were able to get most if not all of their credit needs from us alone for that season.] ➤ 2010 monsoon season paddy <ul style="list-style-type: none"> • 71% (147/ 208) responded the loan came on time to buy farming inputs. • 64% (133/ 208) responded that they took out a loan from other sources beside Proximity loan.
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	<ul style="list-style-type: none"> ➤ 2010- 2011 summer season paddy <ul style="list-style-type: none"> • 42% (88/ 208) responded that they spent some cash to hire on-farm labor. They spent, on average, 44,705 kyat (USD \$60) each. ➤ 2010 monsoon season paddy <ul style="list-style-type: none"> • 73% (152/ 208) responded that they spent some cash to hire on-farm labor. They spent, on average, 52,588 kyat (USD \$70) each.
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	<ul style="list-style-type: none"> • 99% (206/ 208) responded that the process of loan repayment involving CBOs was easier and more effective in its functioning than normal past loan resources. • 100% responded that the process of obtaining the loan was transparent and easy to understand.
<p><i>Project evaluation research for Agricultural Financing for Small Farmers was conducted in April/ May 2011. There were 208 total respondents surveyed in 3 townships, 46 village tracts, and 53 villages. There were some unforeseen issues arising but the full research report will be completed by end of March 2012.</i></p>					

6. **Challenges & Any Modification Recommended**

During the project, our biggest challenges were not related to operations or management, but to the political situation.

In August 2010, we modified three aspects of the project from the original proposal as follows: 1) As detailed above, due to the political situation at the time and in response to requests from beneficiaries, we shifted project funds away from rice distribution and towards community-managed infrastructure

rehabilitation projects. Beneficiaries across all townships told us that they preferred jobs and infrastructure assets over rice handouts. 2) As explained above, we agreed with USAID to remove Farm Advisory Services from this project and re-allocate funds from those budget lines towards cash-for-work projects. With rural households in a very vulnerable position during the pre-harvest seasons, the timeliness of our cash-for-work projects was very significant. 3) Political sensitivities with local township authorities in Kungyangon compelled us to shift all project activities away from Kungyangon Township, for most of the project, in agreement with USAID. We were able to conduct some infrastructure projects in Kungyangon near the end of the project; however, loans were limited in that area.

On top of the operational-level challenges, we also faced village-level challenges in the Delta, where extreme poverty, indebtedness, high illiteracy, and low-levels of aid and government assistance cause challenging conditions for social mobilization.

The following table describes some of the operational challenges we faced and what we did in response to them:

Challenge/Issue	Response
Villagers did not have the technical skills to lay bricks systematically.	Proximity staff members gave tutorials and instructions on how to lay bricks.
Water levels in local river channels were uncharacteristically low, presenting challenges to transporting building materials to the project.	CBO and Proximity staff decided to offer additional wages to villagers to help transport materials to the work site
Unusual and untimely rain destroyed packed mud that was to be used to build bridges.	CBOs were reconvened in order to reconstruct needed packed mud.
There was not enough water to run big schooners that carry sand.	Smaller schooners were used, which incurred higher costs.
Due to the rain, "hard mud" could not be acquired.	"Hard mud" was acquired from more distant locations but this meant costs increased.
There were requests to increase the amount of wages.	Held meetings with CBOs again to explain to the villagers what the wages constitute, and why we wanted to set the wages on the lower end – in order to self-target vulnerable households.
Raw materials for making mud could not be obtained easily.	Materials were ordered prior to starting the project.
Poor quality bricks were sent to the site.	CBOs negotiated and resolved procurement issues.
Villagers requested CBOs to request Proximity staff to design the bridge to allow tractors to pass.	Staff had to explain budget limitations and scope of the project.
There were unused building materials after one bridge had been built.	Proximity used the extra materials in footpath projects in other villages.
Labor shortages rose as project ran longer than expected and too close to paddy harvesting times.	Work plans were modified in order to continue the rest of the project activities after harvest was finished.
It was hard to estimate the completion date of the project because villagers did not have experience with the type of labor required.	Plans were modified with CBOs, and specific skills were taught on an individual basis.
In one village, it was discovered that due to	Rectified the actual expenses with the committee.

miscalculations, inflated costs were paid for earth digging.	Committee members then discussed with participants who were overpaid, and participants returned extra charges.
The meticulousness of the work ‘site-in-charge’ person on the measurements of the work done often irritated local villagers, which is not uncommon in communities that have never had to comply with high standards of accountability and transparency	Resolved after explaining that accurate calculation is important to the success of the infrastructure being built, and also to foster transparency and accountability in the project.
During CBO formation, many women were shy and reluctant to participate.	Proximity staff took extra time to explain the Proximity mission, and our values of transparency, accountability, and community ownership, and how we encourage young women to participate in the CBO. In the presence of male village elders, Proximity staff appealed to elders to encourage youth and women to have a chance to participate in the CBO leadership, in order to give them an opportunity to learn and contribute to their communities.
Women wanted to participate in labour activities and earn income, but the tough, dry and hardened earth on some of the footpath projects presented a difficult physical challenge for women.	Proximity provided pickaxes to female participants who did not have their own, enabling them to participate. Pickaxes can help loosen the earth, which makes digging with a shovel easier.
In some villages, there was low attendance/participation from village households at the initial introductory meeting and the CBO formation meeting.	Proximity staff invited the okkatha (Village Chief) from the village to attend and asked him to help facilitate the meeting and encourage community members to participate in the design of the project. In addition, at times, CBO members and participants from nearby completed infrastructure projects were asked to come to the introductory meeting to speak about their experiences working with Proximity and the benefits their communities saw.

7. Case Study / Best Practice / Lessons Learnt

The strength of Community-based Organizations (CBOs)

A core strength of CWS/Proximity’s infrastructure projects is the creation, development, and improvement of community-based organizations (CBOs) that were formed and selected by the village to oversee the project. These CBOs make their own choices and decisions on all details of the infrastructure process, and manage all operations related to their village’s infrastructure project.

CBOs are typically formed before starting a project, in a radically different way than usual – through elections. The community itself has the chance to elect their own representatives to provide their services for the infrastructure project, which would benefit the entire village. The practice of electing – rather than authorities selecting and/or appointing – was in itself new to most village communities.

Strong CBOs have a strong ownership sense, from working together with each other, their fellow villagers, and Proximity staff throughout the project. CBOs take shared responsibility for purchasing materials, procurement, quotation, bookkeeping, accounting, and cash distribution. CBO members benefited from having the experience of a systematic working project that focused greatly on accountability. The skills learned from the practical application of accountability (i.e. the usage of vouchers, bills, bookkeeping, purchasing, etc.) will be used by community members long after the project ceases – CBO members regularly tell us that they will make sure these practices are used in any future community projects in their

villages. Members share and spread their valuable experience of working together in a team, building trust, and openly negotiating to keep all members satisfied, to other community members.

Transparency and accountability

The use of transparency fliers to demonstrate the accountability of the project activities is integral to a project's success. More than 84% of villagers received the fliers. The practice of reporting all project details is not only important for improving accountability, but also for raising the bar on dignity and ownership.

Community members report that they felt treated with respect and dignity, not merely as charity cases or beneficiaries, because they were provided with full information and details of the project. In every project, the CBO would conduct a mid-project report meeting and an end of project report meeting. The sense of ownership on the projects is high when people have access to information, and can debate that information with CBO members if they feel it is inaccurate, or misrepresented.

Impact of the infrastructure / access to markets

Rural areas in Burma have suffered from decades of low investment from both the government and the private sector. Even the most basic infrastructure is often lacking. Most villages do not even have well-built footpaths – simply moving around in the rainy season means trudging through knee-deep mud and not being able to wear sandals. Safe bridges and jetties are even less commonplace.

Throughout the past 18 months, we were able to complete 396 infrastructure rehabilitation projects. 97% (506 out of 524 total respondents – including CBO members, laborers and villagers) of survey respondents answered that the infrastructure has improved and changed their livelihood for the better. 81% reported the infrastructure improved access to communication. Other respondents said the benefits were related to reducing isolation, increased customers for their business, and improved supply of inputs for farming. 86% of villagers said that they felt there was increased safety with the rehabilitated infrastructure.

At the same time, the cash wages supported the needs of the most vulnerable community members at the most needed times. The projects created over 214,000 person-days of labor for landless and vulnerable households.

The long-term benefits of the project will be learned in the coming years. However, already we are noticing some obvious measurable development occurring. Regions that once had no motorcycles now have bridges and paths that these vehicles can use. Transportation is becoming swifter, and the number and frequency of motorcycles, trucks, buses, and other transport connections are increasing. Small bazaars and markets are becoming commonplace in villages and village tracts where we have supported infrastructure projects. Market development will only increase as time goes by.

Case Stories:

Success story of female farmer in Laputta Township in Burma

Daw Ohn Hla, Chaung Kwe Gyi Village, Kyuu Taw Village Tract, Laputta Township- Farmer

Loans are an essential form of capital for many farmers, as most farmers do not have enough funds to invest in inputs such as fertilizers or hiring temporary labour. There is a huge deficit in available credit in rural Burma, with some commercial credit firms providing loans at monthly interest rates as high as 10%. Even at this high rate, farmers cannot borrow enough to have a large impact on their productivity.

Every season, Daw Ohn Hla, a 58-year-old woman who leads her own farm, used to take private loans with a monthly compounding interest rate of 10% for buying fertilizers and other inputs. She had to pay the loan back with paddy, even though she would rather pay back in cash. After paying back the loans, she barely had enough money to survive. She also had trouble paying back loans if there was a decrease in crop production due to weather events or pest infestations. She heard from a neighbor about Proximity loans, became interested, and decided to take a one lakh (100,000 Kyat) loan.

“Before Proximity loans, another organization came to us and gave some loans,” Daw Ohn Hla said, while chatting about interest rates. “Their loans had a 3% interest rate and they required payments every fifteen days. Though I need money to buy urea, I didn’t take the loan because I feared that I would not be able to pay back the interest on such an extreme payback schedule. Then, I heard about Proximity and its interest rate of 5,000 Kyats per season. This structure is much easier for me to manage. I was really glad and happily took the loan. One lakh is only just enough to buy four bags of fertilizer, it is really a help to me.” Her paddy fields are now enjoying the benefits of inputs, which she bought with the loan money. Daw Ohn Hla estimated her fields would produce around a hundred baskets of rice paddy this year.

Daw Ohn Hla is also planning to plant summer paddy this year. Summer paddy is generally more expensive than monsoon paddy, as it requires heavy irrigation. “It would be better if the loans for summer plantations were increased to three lakhs, which would be sufficient to apply fertilizer to all my acreage. Then, I surely can get more than a hundred baskets,” Daw Ohn Hla expressed her wish and continued, “I will pay back the Proximity loans on time because such helpful loans would not come to us anymore if we broke our promise. Either way, I want to thank USAID very much for helping us farmers, we are very grateful” with her face full of hope.

Success story of how footpaths have brought new business opportunities to the villagers in Laputta Township in Burma

U Kyi Khintea, A Htet Pyon Village, Laputta Township, shop owner and village elder

“As the footpaths that link our village tract were built, the economic situation of the village has improved – we are now seeing a lot more trade with nearby villages. A Htet Pyon Village is now often used as a stop en route to Laputta and Pathein. In the past, we had to rely on water transportations but now we can travel expeditiously using motorcycles. Before, no one in the village owned a motorcycle. Now, there are thirty-six motorcycles. The time of travel to Laputta town has been reduced from fifteen to six hours. Some women bought bicycles and started selling snacks in nearby villages. Previously, we did not have a village marketplace but now with the new connectivity, we have needed to build a temporary one, as trading activities have increased in the village. Even services such as photography services and computer typing shops were established for the first time, as there are more interactions with neighboring villages. We, the villagers, thank Proximity very much for helping us connect to the rest of our township and increase commerce and productivity.”

8. Next Steps / Planned Activities

The need for affordable farming credit for smallholder Delta farmers is greater than ever. Beginning in mid-2011, due to the sharp appreciation – 30 percent -- of the Burma Kyat currency, private sector lenders (such as large local businesses, agricultural input companies, etc.) began to restrict and in some cases revoke their lending to smallholder farmers, as traders and lenders became further de-capitalized due to the unfavorable currency exchange rate. Farmers need affordable credit – this is evident given our current remarkably high repayment rates. We believe our repayment rates are high due to the appropriate size of the loan amount (not too large), the group guarantee scheme, extra accountability provided by the village committees, and due to the fact that farmers repay in hopes of getting a future loan from us.

This past year, rice farmers in the Delta have suffered twin weather-related shocks with unseasonal rains during the dry season and flooding of paddy fields from heavy rains during the beginning of the planting season. As a result, farm families have suffered major financial losses, and they continue to grow vulnerable and therefore need to be re-capitalized with affordable credit.

With this need in mind, CWS and Proximity Designs proposed to USAID that we continue to [REDACTED] extend farm loans after the project ended on November 7th, 2011. Proximity proposed to dedicate these remaining funds to set up an ongoing special revolving loan fund for farmers. The revolving loan fund will be a dedicated pool of capital to be used exclusively for continuing agricultural farm loans to vulnerable farmers in the Irrawaddy Delta.

The fund will last for three years. Before the end of three years, following a needs assessment, Proximity may either (a) continue to extend emergency loans (should there be a need), and/or (b) oversee the current revolving loan committees' final disbursement of funds into community-managed small-scale infrastructure rehabilitation projects similar to the type previously implemented under the "Burma Humanitarian Assistance Program: Livelihood Recovery and Food Security" grant.

To adequately monitor the remaining loan funds will be used for the stated objectives, Proximity Designs will submit an annual report detailing program activities related to the revolving loan fund to USAID by the 30th of November in each year for three years following the program close.

9. Annexes

1. Project Photos
2. Final Equipment Inventory Report
3. Flyer_branding example
4. Flyer translation_branding example
5. September Newsletter_branding example
6. Request for continuation of loan funds
7. USAID Disposition of funds letter

Final Report Annex 1: Project Photos

USAID Burma Humanitarian Assistance Program: Livelihood Recovery and Food Security

A. General Details

Reporting period	07 May 2010 – 07 November 2011
Location of the project	Labutta, Mawgyun, Bogale, Pyapon, Dedaye, and Kungyangon Townships in Ayeyarwady Division
Total project duration	18 months



Proximity staff and a CBO member discuss a bridge project in Hpayar Thone Su Village in Bogalay.



A CBO member in Bo Kone village shows the community resource map drawn by the CBO. Next to the map is a large vinyl poster describing trust building behaviors.



Bo Kone is a rice-producing village. The rehabilitated bridge is expected to help farmers bring their produce to market.



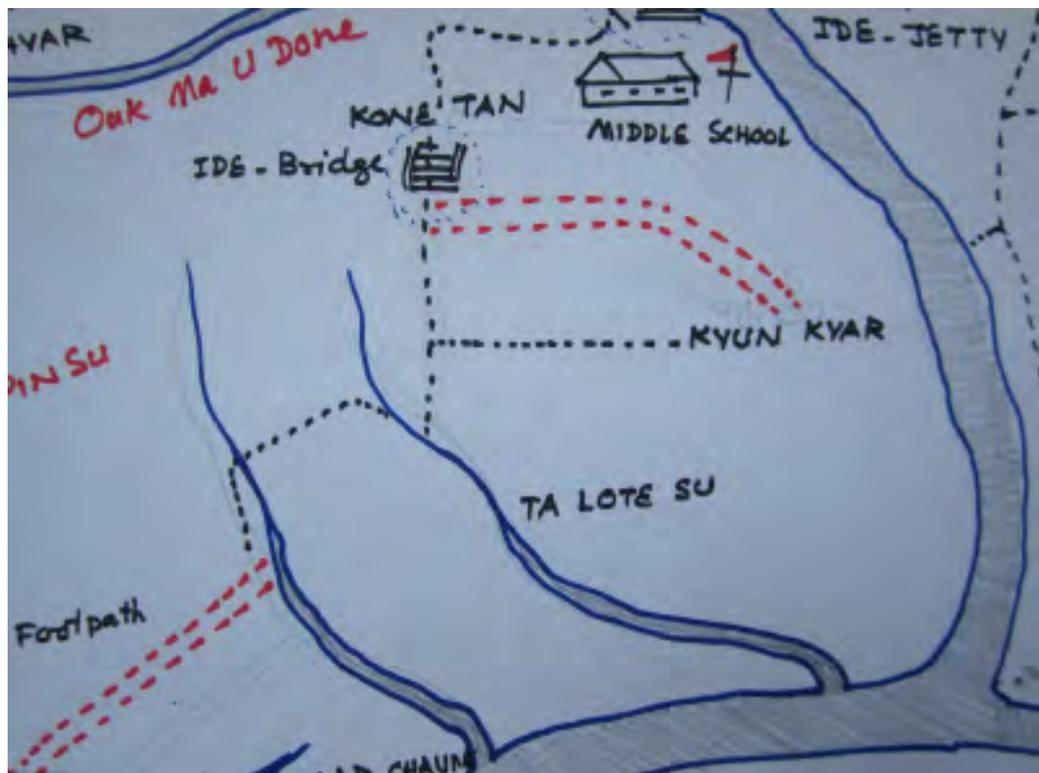
Villagers, CBO members and Proximity staff celebrate the opening of a bridge. The infrastructure asset is planned to connect up 4 villages, but it will benefit up to 17 nearby villages who will use it to access nearby health clinics and schools.



Final reports are announced to the community when a project is completed, in order to end the project on a note of transparency and accountability.



A photo of the CBO of Kone Tan village (Maw'gyun) during the bridge's opening ceremony. Four villages were united to form a joint CBO. The ceremony coincided with a local kathein-pwe festival, festival.



Community resource maps show the bridge project location, as well as contextualizing the market development and connectivity situation in the neighbouring villages and village tracts.



A village elder expressed her gratitude for the bridge project, saying that, “Since the colonial era when I was born, my village had only temporary bamboo bridges for crossing the stream. After more than 80 years of my life, this is the first time ever I will be able to use a strong concrete bridge. It will be much safer for me and the young children.’



Villagers from Ywar Thit in Auk Mau Htone village tract (Maw'gyun township) expect their newly built jetty to be accessed by medium and large regional boats. Community members are expecting more convenient transportation and increased business transactions as soon as the jetty opens.



A jetty built by Proximity connects up to a UNICEF elementary school project in Pankhakansu Village, Maw'gyun Township. Children from over 10 villages can easily access the school now. The UNICEF school also doubles as an emergency shelter for natural disasters.



Projects using skilled-labor from the village created job-opportunities for locals.



CHURCH WORLD SERVICE

Final Report Annex 2: Equipment Inventory Report

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

475 Riverside Drive, Suite 700 New York, NY 10115 tel (212) 870-2061 fax (212) 870-3523 www.churchworldservice.org
28606 Phillips Street P.O. Box 968 Elkhart, IN 46515 tel (800) 297-1516 fax (219) 262-0966 info@churchworldservice.org

Participating Denominations and Communion: African Methodist Episcopal Church African Methodist Episcopal Zion Church Alliance of Baptists American Baptist Churches USA The Antiochian Orthodox Christian Archdiocese of North America
Armenian Church of America (including Diocese of California) Christian Church (Disciples of Christ) Christian Methodist Episcopal Church Church of the Brethren The Coptic Orthodox Church in North America The Episcopal Church
Evangelical Lutheran Church in America Friends United Meeting Greek Orthodox Archdiocese of America Hungarian Reformed Church in America International Council of Community Churches Korean Presbyterian Church in America
Malankara Orthodox Syrian Church Mar Thoma Church Moravian Church in America National Baptist Convention of America National Baptist Convention, U.S.A., Inc. National Missionary Baptist Convention of America Orthodox Church in America
Patriarchal Parishes of the Russian Orthodox Church in the U.S.A. Philadelphia Yearly Meeting of the Religious Society of Friends Polish National Catholic Church of America Presbyterian Church (U.S.A.) Progressive National Baptist Convention, Inc.
Reformed Church in America Serbian Orthodox Church in the U.S.A. and Canada The Swedenborgian Church Syrian Orthodox Church of Antioch Ukrainian Orthodox Church in America United Church of Christ The United Methodist Church

စီမံကိန်းဆိုင်ရာသတင်းအချက်အလက်များ



အပြည်ပြည်ဆိုင်ရာဖွံ့ဖြိုးမှုလုပ်ငန်းများ (မြန်မာ)

ဘိုကလေးမြို့နယ်၊ ဟောမာန်ကျေးရွာအုပ်စု၊ အေးရွာကျေးရွာ၊ လမ်းပြုပြင်ခြင်းလုပ်ငန်း

ခန့်မှန်းကုန်ကျစရိတ်	-	၄,၁၈၅,၀၀၀ ကျပ်
လမ်းအရှည်	-	၅,၅၀၀ ပေ
အကျယ်	-	၄ ပေ
လုပ်ငန်းလုပ်ဆောင်မည့်အချိန်ကာလ	-	၅ . ၃ . ၂၀၁၁ မှ ၂၅ . ၃ . ၂၀၁၁ အထိ
တစ်နေ့ပျမ်းမျှအလုပ်ချိန်	-	၈ နာရီ
အလုပ်နားချိန်	-	၁ နာရီ

လုပ်ငန်းဆောင်ရွက်မည့်သူများ

အေးရွာကျေးရွာမှ လမ်းဖြစ်မြောက်ရေးကော်မတီများအဖြစ်
ဦးသန်းအေး၊ ဦးသန်းလှိုင်၊ ဦးသိန်းအောင်၊ ဦးသိန်းဝင်းနိုင်၊ ဦးမြလွင်၊ ဦးစိုးအောင်၊ ဦးဝင်း၊ ဦးထွန်းဝင်း၊ ဦးမြင့်လွင်၊
ဒေါ်အိဝယ်၊ ဒေါ်နိုင်နိုင်မော် နှင့် ရွာသူရွာသားများ။

ပူးပေါင်းဆောင်ရွက်မည့်သူများ

IDE M ရေတံခွန်အဖွဲ့မှ အဖွဲ့ခေါင်းဆောင် ဦးအောင်မိုး၊ မြို့နယ်တာဝန်ခံ ဦးဝင်းသူအောင်၊ ဦးကျော်စွာဦး နှင့်
ဦးရဲလင်းနိုင်တို့မှ ပူးပေါင်းဆောင်ရွက်ပါမည်။

စဉ်	အကြောင်းအရာ	အရေအတွက်	နှုန်း(ကျပ်)	သင့်ငွေ(ကျပ်)	မှတ်ချက်
၁။	အုတ်	၃၁၀၀၀ လုံး	၇၅	၂၃၂၅၀၀၀	မင်းသူအောင်ဆိုင်
၂။	သဲချော	၅ ကျင်း	၂၀၀၀၀	၁၀၀၀၀၀	မင်းသူအောင်ဆိုင်
၃။	ဘိလပ်မြေ	၉၀ အိတ်	၅၅၀၀	၄၉၅၀၀၀	ရွှေစံအိမ်ဆိုင်
၄။	ပန်းရံခ	၃၁၀၀၀ လုံး	၁၀	၃၁၀၀၀၀	ရွာမှ
၅။	အုတ်သယ်ခ	၃၁၀၀၀ လုံး	၅	၁၅၅၀၀၀	
၆။	လမ်းခင်းသဲ	၃၀ ကျင်း	၁၅၀၀၀	၄၅၀၀၀၀	
၇။	အကူဝန်ထမ်းစရိတ် နှင့် အထွေထွေကုန်ကျစရိတ်			၃၅၀၀၀၀	
	စုစုပေါင်း			၄,၁၈၅,၀၀၀	

လုပ်ငန်းနှင့်ပတ်သက်သော ငွေကြေးသုံးစွဲမှုနှင့် လုပ်ငန်းဆောင်ရွက်မှုမှတ်တမ်းများကို ဒေါ်အိဝယ် မှ စာရင်းရေးသွင်း
မှတ်တမ်းတင်ပါသည်။

အထက်ပါ လုပ်ငန်းဆောင်ရွက်မှုများနှင့် ပတ်သက်၍ စုံစမ်းမေးမြန်းလိုပါက ...

IDE|M အဖွဲ့ (ဘိုကလေးမြို့နယ်)

အမှတ်(၂၄)၊ မနော်ဟရီလမ်း၊ (၃)ရပ်ကွက်၊ ဘိုကလေးမြို့ ။

ဖုန်း - (၀၉) ၈၆၁၂၆၇၅ သို့ လည်းကောင်း။

IDE|Mအဖွဲ့ (ရုံးချုပ်)

အမှတ်(၂၀၂)၊ ကွန်ဒို-စီ၊ တက္ကသိုလ်ရိပ်မွန်အိမ်ယာ၊ ဗဟန်းမြို့နယ်၊ ရန်ကုန်မြို့။

ဖုန်း - (၀၁) ၅၅၅၂၂၁၊ (၀၁) ၅၅၅၂၇၀၊ (၀၁) ၅၅၈၀၇၇ သို့ လည်းကောင်း ဆက်သွယ်မေးမြန်းနိုင်ပါသည်။



USAID
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အထက်ပါလုပ်ငန်းများအတွက် ကုန်ကျငွေများကို **USAID**အဖွဲ့မှ
လှူဒါန်း ကူညီပါသည်။

Final Report Annex 4: Project Flyer Translation

Project Information

IDE (Myanmar)

Bogalay Township, Hay Man Village Tract, Aye Village, Road Repairing Activities

Estimated cost - 4,185,000 Ks.
Road (Length) - 5,500 feet
Road (Width) - 4 feet
Working Period - 5th March 2011 to 25th March 2011
Average working Hr/day - 8 hrs
Break Hr - 1 hr

Person involved in activities

Road Repairing Committee members of Aye Village

U Than Aye
U Than Hlaing
U Thein Aung
U Thein Win Naing
U Mya Lwin
U Soe Aung
U Win
U Htun Win
U Myint Lwin
Daw Ei Nge
Daw Naing Naing Maw & villagers

Co-operation person

From IDE-M

U Aung Moe- Team Leader

U Win Thu Aung, U Kyaw Swar Oo & U Ye' Lin Naing – Township Coordinator

Sr.	Particulars	Qty	Rate (Ks)	Amount (Ks)	Remarks
1	Brick	31,000 Nos.	75	2,325,000	Min Thu Aung Shop
2	Fine Sand	5 sud		100,000	Min Thu Aung Shop
3	Cement	90 bags	5,500	495,000	Shwe San Ein Shop
4	Mason charges	31,000 Nos	10	310,000	village
5	Labour charges - Brick loading/unloading	310,00 Nos	5	155,000	
6	Sand	30 sud	15,000	450,000	
7	Labor and Miscellaneous			350,000	
	Total			4,185,000	

Daw Ei Nge is record keeping for expense record and working record.

If you want to inquire about above activities,

Contact:

IDE/M Bogalay Township

No.24, Ma Naw Hari Street, Block 3, Bogalay Township.

Ph- 09-8612675.

IDE/M HQ

No.202, Condo -C, Tha Ka Tho Yeik Mon , Bahan Township, Yangon

Ph-01-555221, 555270, 558077.

Expenses of above activities are donated by USAID.

Final Report Annex 5: September Newsletter

Redacted - Not related to USAID-funded project

Final Report Annex 6: Request for Continuation of Project Period

Proximity Designs

New University Avenue Complex,
Condo C, Suite 202, Bahan Township,
Yangon, Myanmar
Tel: 95-1-555-221, 555-270, 558-077

MEMO

Date: 07 November 2011

To: USAID and Church World Service – Asia/Pacific

From: Proximity Designs (formerly IDE)

Re: **Grant: “Burma Humanitarian Assistance Program: Livelihood Recovery and Food Security” - Proposed use of project loan funds after completion date,** [REDACTED]

Proximity Designs is currently implementing livelihood recovery and food security activities under the above-mentioned grant. The 18-month grant period is due to end on 7 November 2011.

Activities under the grant have fallen into two major components: 1.) community infrastructure (cash-for-work) and 2.) agricultural financing for small farmers. Funds budgeted for the community infrastructure component will be fully spent by the end of the grant period. Funds for the agricultural financing component (budget line item 6.3) have also been disbursed, however since they consist of revolving loans that are re-paid by farmers, there will be funds remaining at the end of the grant period.

Background of spending on Budget line item 6.3 for loans to paddy farmers

July 2010 Monsoon paddy season. The 1st cycle of loans was disbursed to 5,556 farm households in July 2010. Each farm household received 100,000 kyats.

- Beginning Balance of funds: [REDACTED]
- Loans Disbursed: The total amount of loans in kyats was 555.6 million [REDACTED]
- Loan Repayment in December 2010: Loan repayment rate was 100 percent. Total principal repaid was 555.6 million [REDACTED].
- The difference of [REDACTED] between the principal disbursed and collected reflects a gain in exchange due to the rising value of the local kyat over several months.

- Interest income received: [REDACTED]
- Total Balance of funds at end of loan cycle: (principal + interest income) [REDACTED].

January 2011 Dry Season paddy. The 2nd cycle of loans was disbursed to 5,556 farm households in January 2011. Each farm household received 100,000 kyats.

- Beginning Balance: [REDACTED]
- Loans Disbursed: The total amount of loans in kyats was 555.6 million [REDACTED]
- Loan Repayment in May 2011: Loan repayment rate was 100 percent. Total principal repaid was 555.6 million [REDACTED]
- The difference of [REDACTED] between the principal disbursed and repaid reflects a gain in exchange due to the continued rising value of the local kyat.
- Interest income received: [REDACTED]
- Ending Balance at end of cycle: [REDACTED]

June 2011 Monsoon paddy season. The 3rd cycle of loans was disbursed to 5,556 farm households in June 2011. Each household received 100,000 kyats.

- Loans Disbursed: The total amount of loans in kyats was 555.6 million [REDACTED]
- Loan Repayment due in November-December 2011: Loan repayment rate is expected to be high based on past performance.
- Expected Balance of funds at end of cycle: [REDACTED]

Proposed request for use of Budget line item 6.3 loan funds after November 2011

CWS and Proximity Designs would like to propose to USAID that we continue to use the remaining funds under Budget line item 6.3 to extend farm loans. Proximity proposes to dedicate these remaining funds to set up an ongoing special revolving loan fund for farmers.

The revolving loan fund would be a dedicated pool of capital to be used exclusively for continuing agricultural farm loans to vulnerable farmers in the Irrawaddy Delta.

The need for affordable farming credit for smallholder Delta farmers is greater than ever. In mid-2011, due to the sharp appreciation – 30 percent -- of the Burma Kyat currency, private sector lenders (such as large local businesses, agricultural input companies, etc.) are beginning to restrict and in some cases revoke their lending to smallholder farmers, as

traders and lenders become further de-capitalized due to the unfavorable currency exchange rate. Farmers need affordable credit – this is evident given our current remarkably high repayment rates. We believe our repayment rates are high due to the appropriate size of the loan amount (not too large), the group guarantee scheme, extra accountability provided by the village committees, and due to the fact that farmers repay in hopes of getting a future loan from us. This past year, rice farmers in the Delta have suffered twin weather-related shocks with unseasonal rains during the dry season and flooding of paddy fields from heavy rains during the beginning of the planting season. As a result, farm families have suffered major financial losses, and they continue to grow vulnerable and therefore need to be re-capitalized with affordable credit.

Management of the continued Fund

Proximity is well placed to continue loaning at favorable rates. We have the capacity, staffing, and supply chain to continue our farm lending program, long after the current USAID project ends. We plan to continue offering such emergency loans to vulnerable farm families with funds from other donors, so we are not requesting additional support for human resources or transportation costs. All funds from the current project under budget line 6.3 would be used as loan capital. Proximity would reserve the right to make, as they see fit, managerial and programmatic alterations to the structure of the revolving loan funds, such as, but not limited to: the size of the loan amount, the selection of loan recipients, the selection of managing committees, the parameters of repayment and loan policies, and interest rates/managing fees.

The proposed fund would last for three years. Before the end of three years, following a needs assessment, Proximity may either (a) continue to extend emergency loans (should there be a need), and/or (b) oversee the current revolving loan committees' final disbursement of funds into community-managed small-scale infrastructure rehabilitation projects similar to the type previously implemented under the "Burma Humanitarian Assistance Program: Livelihood Recovery and Food Security" grant. The funds will not be used to support Proximity's non-loan and/or non-infrastructure activities.

In order to adequately monitor that the remaining loan funds will be used for the stated objectives, Proximity Designs will submit an annual report detailing program activities related to the revolving loan fund to USAID by the 30th of November in each year for three years following the program close. Furthermore, all assets related to the loan fund will be included in annual organizational-wide audits (Proximity's financial year runs July to June) conducted by qualified external auditors. A copy of our annual audits will be attached to the annual loan fund reports submitted to USAID.

Final Report Annex 7: Request for Continuation of Project Period



USAID | ASIA
FROM THE AMERICAN PEOPLE

November 22, 2011

Mr. Takeshi Komino
Chief of Party / Head of Emergencies
CWS-Asia/Pacific
CCT Bldg., 10th Fl., 328 Phayathai Rd.,
Ratchathewi Bangkok, 104000 Thailand

Subject: USAID Cooperative Agreement No. AID-486-A-10-00007

Dear Mr. Komino:

This has reference to CWS' proposal concerning the use of the project loan funds under the subject Agreement after its completion date on November 6, 2011. Please be advised that we've reviewed the information provided and revisions made to the CWS memo dated November 7, 2011 in this regard, the Regional Agreement Officer hereby provides approval for CWS to continue to use the remaining funds under Budget line item 6.3 to set up a special revolving fund for farmers for a period of three years.

This approval is granted subject to the following:

1. that the implementation and management of the "revolving fund" will be in accordance with the details indicated in the November 7, 2011 CWS memo to USAID;
2. that CWS will submit an annual report detailing program activities related to the revolving loan fund to USAID by the 30th of November in each year for three years following the program close; and,
3. that all assets related to the loan fund will be included in annual organizational-wide audits conducted by qualified external auditors, with a copy of the annual audits attached to the annual loan fund reports submitted to USAID.

If you have any further questions please let us know.

Sincerely

Thomas M. Stephens
Regional Agreement Officer
USAID RDMA, Bangkok