

**INTEGRATED SAFEGUARDS DATA SHEET
ADDITIONAL FINANCING**

Report No.: ISDSA12148

Date ISDS Prepared/Updated: 02-Apr-2015

I. BASIC INFORMATION

1. Basic Project Data

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| Country: | Myanmar | Project ID: | P153113 |
| | | Parent Project ID: | P132500 |
| Project Name: | National Community Driven Development Project (P153113) | | |
| Parent Project Name: | Myanmar National Community Driven Development Project (P132500) | | |
| Task Team Leader(s): | Ingo Wiederhofer, Nikolas Myint | | |
| Estimated Appraisal Date: | 31-Mar-2015 | Estimated Board Date: | 28-May-2015 |
| Managing Unit: | GSURR | Lending Instrument: | Investment Project Financing |
| Sector(s): | Rural and Inter-Urban Roads and Highways (30%), Irrigation and drainage (20%), General water, sanitation and flood protection sector (20%), General education sector (15%), Health (15%) | | |
| Theme(s): | Rural services and infrastructure (65%), Participation and civic engagement (25%), Gender (5%), Social Inclusion (5%) | | |
| Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)? | | | No |
| Financing (In USD Million) | | | |
| Total Project Cost: | 453.35 | Total Bank Financing: | 380.00 |
| Financing Gap: | 0.00 | | |
| Financing Source | | | Amount |
| BORROWER/RECIPIENT | | | 40.00 |
| International Development Association (IDA) | | | 380.00 |
| ITALY Dev. Coop. Department (MOFA) | | | 22.35 |
| Japan Social Development Fund | | | 11.00 |
| Total | | | 453.35 |
| Environmental Category: | B - Partial Assessment | | |

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| Is this a Repeater project? | Yes |
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2. Project Development Objective(s)

A. Original Project Development Objectives – Parent

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 and to enhance the government’s capacity to respond promptly and effectively to an eligible crisis or emergency.

B. Proposed Project Development Objectives – Additional Financing (AF)

3. Project Description

The ongoing Project consists of five components. This structure will be maintained under the Additional Financing, with components scaled up to increase the Project’s geographic coverage and further refined to reflect lessons learned during the first year of implementation. All Project activities will follow the requirements of OP 4.01 and other applicable World Bank Safeguards policies, particularly in the screening and preparation of EA instruments (EMPs and ECoPs) for sub-projects, including with regard to disclosure and consultation.

This component finances four annual cycles of block grant budget allocations of on average US \$33,000 per village tract per year. A village tract typically comprises 4-5 villages in rural Myanmar. Village tract budget allocations vary depending on the population of a given village tract, but provide annual grants equivalent to about US\$12 per capita. Village tract budget allocations are typically divided among villages, with an average individual sub-project size under US\$10,000. Individual sub-projects are limited to a ceiling of US\$110,000, and any sub-projects over US\$40,000 would require prior review and a no objection by the World Bank.

The initial Project envisaged coverage of 15 townships (home to about 640 village tracts), using a gradual rollout to allow for adaptive learning. In the first community cycle, three townships took part in the project, expanding to nine townships in the second cycle (currently underway). The infrastructure to be financed includes small feeder roads, footpaths and small bridges, water supply systems for villages, rehabilitation of class rooms and health centers, small scale irrigation schemes and small-scale rural electrification schemes. 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 new small scale public infrastructure for types of investments that meet eligibility criteria specified in the project’s Operations Manual and the Environmental and Social Management Framework (ESMF). Block grants are allocated through a participatory planning process covering 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. Under the Additional Financing, the Project will roll out block grants in an estimated additional 40 townships using a range of financing sources (e.g. Government contributions, proceeds from the original IDA grant and the proposed IDA credit, bilateral concessional loan financing from the Italian government, and a proposed grant from the Japanese

Social Development Fund [JSDF]). All financing, regardless of source, will comply with applicable project and safeguards policies as outlined in the project's Operations Manual and the ESMF.

Component 2: Facilitation and Capacity Development. This component finances technical assistance and institutional support at the union and township levels, including the hiring of community facilitators for the purpose of supporting the implementation of community driven activities under component 1. The Project supports capacity development in areas such as participatory planning processes, project management, gender equality and social inclusion, environmental management and social accountability for local committee members as well as government staff at the township, region/state and union levels. This component also includes a grievance handling mechanism. During the Additional Financing phase, this component will further strengthen and institutionalize capacity development of township and Region/State level Department of Rural Development (DRD) staff and facilitators.

Component 3: Knowledge and Learning. This component supports government staff and community and civil society representatives through learning from community based approaches implemented within and beyond Myanmar. This builds on successful south-south learning exchanges undertaken during implementation to date to expose government counterparts to successful community driven development approaches in ASEAN countries and other regions. The Project in August 2014 organized a first annual multi-stakeholder review to share experiences from the previous cycle and discuss ways to improve the project's design and implementation for the next cycle. These reviews included lessons learned with regard to governance, social accountability and anti-corruption measures and informed a substantial revision of the Project Operations Manual. This component will be further strengthened to include additional analytical, monitoring, evaluation studies and financial and technical audits during the AF. This component will also test models for enhanced social accountability for front line service delivery in selected Project townships.

Component 4: Implementation Support. This component supports project management by DRD at the union and township levels including reporting and communications as well as administration and logistical support for project implementation. This component will allow for financing of civil works for the rehabilitation and/or construction of DRD office space required for Project implementation.

Component 5: Emergency Contingency Response. This contingency component allows for the rapid reallocation of grant proceeds from other components in order to provide preparedness and rapid response support to disaster, emergency and/or catastrophic events, as needed. Intended as a contingency in case of disasters, it has a zero budget allocation and has not yet been activated during implementation to date.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will operate in at least 50 townships, including at least one in each of the country's 14 regions and states as well as the union territory. Criteria for the selection of townships are primarily poverty, with additional criteria being presence of external funding for similar activities, accessibility and commitment by regional government and local stakeholders to the objective of the project. 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\$33,000 per village tract is spread across all villages in a tract (in Myanmar, village tracts consist of on average four to five villages). Given the country-wide coverage of the proposed project interventions, it is conceivable that some sub-projects (for example village water supply, sanitation systems or irrigation schemes) could be implemented along the Ayeyarwaddy river and/or its tributaries. This river meets the definition of an International Waterway as stipulated in paragraph 1 of the World Bank’s Operational Policy 7.50 on International Waterways, although the combined flow outside of Myanmar is estimated to be less than 1%.

5. Environmental and Social Safeguards Specialists

Ruxandra Maria Floroiu (GENDR)

Satoshi Ishihara (GSURR)

| 6. Safeguard Policies | Triggered? | Explanation (Optional) |
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| Environmental Assessment OP/BP 4.01 | Yes | The original project was classified as environmental category “B.” The AF is also considered a category “B” as it will continue to finance small-scale rehabilitation and construction rural infrastructure works. The infrastructure to be financed will be based on eligibility criteria and typically include small roads, foot-paths and small bridges, village drinking water 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. The Borrower prepared an Environmental and Social Management Framework (ESMF) based on a revision of the Environmental and Social Screening and Assessment Framework (ESSAF) prepared and adopted for the ongoing operation. 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 |

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| | | <p>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 sub-projects. Any sub-projects larger than 40 million kyats (ca. \$40,000) 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 draft ESMF was disclosed in country in English and Myanmar on January 26, 2015 and in English in the World Bank Infoshop on January 28, 2015. The ESMF was the subject of public consultations, including with civil society and other project stakeholders. These were conducted on February 9, 2015 in Yangon, February 11, 2015 in Mandalay and February 16, 2015 in Naypyitaw. The final ESMF, revised following public consultations, will be re-disclosed in accordance with the World Bank's Access to Information Policy, and will be disseminated in project communities.</p> |
| Natural Habitats OP/BP 4.04 | Yes | <p>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.</p> |
| Forests OP/BP 4.36 | No | <p>The Project does not anticipate it will have and will not consider eligible for financing any activities that:</p> <ul style="list-style-type: none"> (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. <p>All sub-projects will be screened accordingly.</p> |
| Pest Management OP 4.09 | No | <p>Project activities are not expected to use pesticides, nor</p> |

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| | | 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 | No | Archaeological and cultural heritage sites are not envisaged to be affected by project interventions. While there are religious buildings such as monasteries, pagodas, churches, and mosques in project villages, given the small grant size and small-scale impacts of the proposed rural infrastructure works, the project does not anticipate it will have and will not consider eligible for financing any activities that have a potential direct or indirect impact on cultural properties. Periodic checks will ensure that no subprojects impact on cultural assets. |
| Indigenous Peoples OP/ BP 4.10 | Yes | <p>The policy was triggered for the original project since it was expected that ethnic minority communities would be present in the project areas of influence. Ethnic Minority screening was conducted with the participation of almost all village households, and no discriminatory treatment of ethnic minorities was reported. Social audits conducted between June and August 2014 also did not find any grievances or complaints from Ethnic Minority groups. The safeguard review identified some gaps in the implementation of the Environmental and Social Screening and Assessment Framework (ESSAF), including challenges in relation to the translation of project documents into ethnic languages. To address the Department of Rural Development (DRD) as the implementing agency adopted a two-step approach to ensure the translation of key project materials into all relevant ethnic languages. In the first instance, DRD at the union level defined a list of key documents to be translated into ethnic languages to ensure that Ethnic Minorities are adequately informed and consulted. As a second step, DRD requested each project township office to identify ethnic languages used in the townships, into which these documents will be translated. This approach was developed given the multitude of ethnic languages in use in Myanmar. In addition, for those ethnic languages that do not have a written alphabet or for areas with very low levels of literacy, DRD developed a communications strategy based on illustrations and visuals.</p> <p>The Indigenous Peoples policy will be applied for the AF since the expanded geographical coverage under the AF will in all likelihood include areas where ethnic minorities are present, although the exact list of townships to be covered as part of the scale up financed through the</p> |

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| | | <p>proposed AF would be implemented will only be determined during implementation. The ESSAF was updated based on the experience of the original project as the Environmental and Social Management Framework (ESMF). The AF will continue to support the participatory social assessments (SA) to be conducted by affected community members themselves including Ethnic Minorities under the support of a trained Community Facilitator. The participatory SA will include Ethnic Minority screening, and free, prior and informed consultations with Ethnic Minorities. The broad community support of affected Ethnic Minorities for priorities to be supported by the Project will be ascertained as part of the participatory SA. The result of the participatory SA, including the findings of free, prior and informed consultations, will be used to develop Village Tract Development Plans (VTDP) which will serve as the Indigenous Peoples Plan (IPP) under this project and meet all requirements of the Indigenous Peoples Policy. The ESMF includes specific guidance and requirements to ensure that VTDPs fulfill the requirements of an IPP. VTDPs will be updated when detailed designs are prepared and impacts of sub-projects become clear. Detailed subproject designs will be presented to affected communities including ethnic minorities at free, prior and informed consultations and their broad community support will be sought. Comments received will be reflected in the revised VTDP and disclosed in all affected local communities in a language that is understandable to them. Where broad community support is not ascertained, sub-projects will not be implemented in respective communities.</p> <p>The key principles, processes and procedures for the participatory SA, including Ethnic Minority screening; free, prior and informed consultations with affected ethnic minorities leading to their broad community support; and the preparation of the VTDP as the IPP, are described in the EMDF and more detail in the project Operations Manual.</p> |
| Involuntary Resettlement OP/BP 4.12 | Yes | Sub-projects financed under the original project supported small scale civil works to rehabilitate, improve or construct small-scale rural infrastructure, and did not require involuntary acquisition of private land or private assets. However, since sub-projects are developed on a demand driven basis, minor land acquisition or loss of assets cannot be fully ruled out. For this reason, OP 4.12 |

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| | <p>was triggered for the original project. The Environmental and Social Screening and Assessment Framework (ESSAF) provided measures to comply with the Bank's OP 4.12, including non-eligibility of any sub-project that requires involuntary land acquisition (including involuntary asset loss) during the first community cycle in each township. Going forward, these measures will be included in the ESMF and RPF.</p> <p>No involuntary land or asset acquisition occurred under the original project. Minor losses of land or assets occurred to a small number of households which were addressed through voluntary donations. A technical review carried out in August 2014 and the social audits carried out between June and August 2014 confirmed that all affected households willingly and knowingly donated land or assets in accordance with the specified protocol, and did not find any outstanding grievances. A World Bank implementation support mission conducted in July 2014 confirmed overall compliance with the ESSAF, based on a desk review of reports and voluntary donation forms developed, site visits and interviews with affected people and confirmed that affected people had voluntarily donated land or assets. Overall, voluntary donation forms were properly prepared according to the voluntary donation protocols and signed by the affected people, although in some instances both voluntary donation forms and involuntary donation forms were prepared (even though assets were donated voluntarily). One recommendation following the Cycle 1 was to further strengthen the knowledge of Technical Facilitators (TF) and Community Facilitators (CF) both on safeguard documentation and on overall safeguard processes. The Department of Rural Development subsequently engaged international consultants to deliver additional training on safeguard processes and documentation for community and technical facilitators as well as for DRD township staff. Additional capacity development on these issues is provided on an on-going basis by the Bank task team and the Union technical assistance team contracted by DRD.</p> <p>The ESSAF was updated based on the experience under the original project. The Environmental and Social Management Framework (ESMF) includes a Resettlement Policy Framework. Under the AF, as in the original project, sub-projects will be screened for land-related impacts. If any land acquisition or asset loss is found to be</p> |
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| | | <p>unavoidable, measures to mitigate such impacts will be developed and implemented. To limit potential safeguards risks associated with sub-projects, the AF would apply a relatively low budget ceiling of 110 million kyats (US \$110,000) for sub-projects, and sub-projects exceeding 40 million kyats (US\$40,000) would require a prior approval from the union DRD and no objection from the World Bank.</p> <p>Sub-projects that will likely require a physical relocation of household will not be eligible for financing. Designs would be adjusted, and alternative locations would be sought, in order to avoid or minimize loss of land or assets.</p> <p>Where a minor loss of private land or assets is unavoidable, impacts will likely be addressed through voluntary donations by the affected people for most cases. If their informed consent to donate assets is not obtained as specified in the Voluntary Land Donation Protocol, an abbreviated Resettlement Action Plan (RAP) will be developed and compensation would be provided at full replacement cost as per the policies and procedures laid out in the RPF included in the ESMF. In exceptional cases where project impact is significant, a full RAP will be developed.</p> |
| Safety of Dams OP/BP 4.37 | No | The project 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 | Yes | <p>The Ayeyarwaddy rises in the Himalayas, bisects Myanmar from north to south and empties through a nine-armed delta into the Bay of Bengal. A portion of the catchment areas that feed two of the tributaries of the river (the Maykha which is referred to as the Daying in China, and the Malikha which is referred to as the Jiang in China) are located in China. The Malikha tributary in turn is fed by a sub-tributary originating within India. This meets the definition of an International Waterway as stipulated in paragraph 1 of the World Bank's Operational Policy 7.50 on International Waterways, although the combined flow outside of Myanmar is estimated to be less than 1%.</p> <p>OP 7.50 applies since the project will finance the construction, rehabilitation and improvement of small scale village-based rural water supply and sanitation systems (e.g., tube wells, latrines) as well as the</p> |

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| | | rehabilitation and construction of modest new village based small scale irrigation schemes (less than 25 hectares) and pico-hydro facilities. For the Additional Financing phase, the project will not finance sub-projects that may use water from international waterways including activities such as community water supply, small scale irrigation or pico-hydropower generations facilities on the mainstream of the Ayeyarwaddy River. The Project also will not finance community water supply and small scale irrigation on or along the the Maykha and Malikha tributaries of the Ayeyarwaddy River. The Project will however finance community water supply systems, small scale irrigation and/or pico-hydropower investments that would draw water from tributaries of the Ayeyarwady which run exclusively within the territory of Myanmar. These tributaries include the following: the Chindwin, the Mu, the Chaungmagyi Chaung, the Myitnge, the Mon Chaung and the Nawin Chaung. The project is not expected to adversely affect the quality or quantity of water flows to other riparians and will not be adversely affected by other riparians' possible water use. On this basis, the Bank has determined that the proposed project does not require riparian notification in accordance with paragraph 7(c) of OP 7.50. |
| Projects in Disputed Areas OP/BP 7.60 | No | No activities are planned in areas considered as disputed under OP7.60. |

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

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| <p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>The project is rated category “B” in line with the WB OP/BP 4.01 on Environmental Assessment due to the small-scale works for the rehabilitation or minor extension and construction of community infrastructure that use standardized designs. Typical works considered for financing will be for schools, community recreation and health centers rehabilitation and/or expansion; small rural roads, rural water supply systems and sanitation facilities (public latrines); and the rehabilitation of small scale irrigation schemes (<25 ha). Some small scale civil works will be carried out to improve and/or expand rural water supply systems, sanitation facilities (latrines), and minor irrigation schemes which could be implemented along the tributaries of the Ayeyarwaddy River. Similarly, some subprojects could be located in known parks and/or reserved forests areas where communities are living for years. Finally, may also be minor civil works on public land to rehabilitate and/or construct office space for DRD for Project implementation purposes.</p> <p>The impacts of these small works are expected to be localized and can be prevented or reduced to acceptable levels through the use of Environmental Codes of Practice (ECOPs) or Environmental Management Plans (EMPs) that provide for good construction practices and planning. Such</p> |
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potential temporary impacts are related among other things to: (i) air pollution/dust, noise, vibration, and access restriction; (ii) improper disposal of construction related waste; (iii) temporary pollution of soil and surface waters due to accidental spillage of fuel from construction activities; (iv) safety hazards including worker safety; and (v) damage to forests or existing vegetation. These impacts should be properly managed during the construction phase by communities or contractors hired by them and closely supervised by DRD at the township level supported by the township technical assistance teams.

Cumulative impacts for the project as a whole at sub-project sites and regionally are expected to be insignificant given the small-size of the grants and the dispersion of resources across village tracts.

In order to assess the potential impacts of the project and to propose related mitigation measures to address such impacts, the Borrower/DRD has prepared an Environmental and Social Management Framework (ESMF) to meet the OP/BP 4.01 requirements. The ESMF covers all investments and activities financed by the Bank. The ESMF describes eligible investments; procedures to addressing environmental and social safeguards requirements; previous safeguard implementation experience and lessons learned during ongoing operation; existing legislative and organizational structures for environmental management; existing institutional and capacity building and measures to address; outlines environmental impact mitigation and monitoring actions; as well as institutional responsibilities and implementation arrangements. It also describes the grievance handling mechanism and the public consultation process during project preparation. Finally, it includes annexes with examples of and simple guidance notes for screening forms, ECOPs for specific rural infrastructure investments eligible under the project, sample formats for Environmental Management Plans (EMPs) and Resettlement Action Plans (RAPs), and minutes of the public consultations on safeguard documentation.

A general ECOP applicable to most small scale rehabilitation and construction works in project villages is presented in the ESMF and the project's Operations Manual (part V, chapter 3). Similarly, specific environmental codes of practices for various eligible subprojects' activities such as construction/rehabilitation of small scale buildings; village rural roads; small bridges (less than five meters) and jetties; village rural water supply (wells, rainwater collection, and installation/rehabilitation of pipelines from natural springs); rural electrification (solar panel, pico hydro < 20kV, solar street lighting, diesel and biomass generator < 15 kV amps); small scale irrigation and sanitation facilities (small latrines and village scale waste treatment facilities) are detailed in the ESMF.

The AF, like the original project, will operate in areas where Ethnic Minorities who meet the eligibility criteria under the OP 4.10 are present, although the exact locations where the AF would be implemented will be determined during implementation. OP 4.10 is thus triggered. The impact on Ethnic Minorities is expected to be positive. The AF would continue to support bottom up processes to strengthen the social inclusion of ethnic minorities in a participatory manner. Ethnic minorities will participate in the planning and implementation of subprojects to be financed under the AF. Potential negative impacts would include minor loss of land or assets. The scale of any adverse impacts are expected to be minor. The subproject ceiling is 110,000,000 kyat (about US \$110,000), however any subproject above 40,000,000 kyat (about US\$40,000) would require a prior review and a no objection by the Bank.

The AF will continue to support the participatory social assessments (SA) to be conducted by

community members themselves including Ethnic Minorities under the support of a qualified Community Facilitator. The participatory SA will include Ethnic Minority screening, and free, prior and informed consultations with Ethnic Minorities as well as other requirements for SA as specified in Annex A of OP 4.10. The broad community support of affected Ethnic Minorities to priorities to be supported by the Project will be ascertained as part of the participatory SA. The result of the participatory SA, including the findings of free, prior and informed consultations, will be used to develop Village Tract Development Plans (VTDP) which will serve as the Indigenous Peoples Plan (IPP) under this project and meet all requirements of the OP 4.10 for the IPP. VTDPs will be updated when detailed designs are prepared and impacts of subprojects become clear. Detailed subproject designs will be presented to affected communities including Ethnic Minorities at free, prior and informed consultations and their broad community support will be sought. Comments received will be reflected in the revised VTDP and disclosed in all affected local communities in a language that is understandable to them. Where broad community support is not ascertained, sub-projects will not be implemented in respective communities.

The AF would continue to support small scale civil works to rehabilitate and improve small-scale rural infrastructure, which is not anticipated to require significant acquisition of land or assets. However, since sub-projects would continue to be developed on a demand driven basis and will render eligible new small infrastructure construction, minor land acquisition or loss of assets cannot be fully ruled out. For this reason, OP 4.12 is triggered to the AF.

Under the original project, an Environmental and Social Screening and Assessment Framework (ESSAF) was developed which provides measures to comply with the Bank's OP 4.12, including the prohibition of any sub-project that requires involuntary land acquisition (including involuntary asset loss) during the first community cycle in each township. No involuntary land or asset acquisition occurred under the original project. Minor losses of land or assets occurred to a small number of households which were all addressed through voluntary donations. The technical audit carried out in August and October 2014 and the social audits carried out between June and August 2014 confirmed that all affected households willingly and knowingly donated land or assets, and did not find any outstanding grievances. A World Bank supervision mission conducted in July 2014 found overall compliance with ESSAF, and confirmed that affected people had voluntarily donated land or assets. Overall, voluntary donation forms were properly prepared and signed by the affected people, although in some instances both voluntary donation forms and involuntary donation forms were prepared (even though assets were donated voluntarily). One recommendation following from cycle 1 was to further strengthen the knowledge of Technical Facilitators (TF) and Community Facilitators (CF) both on safeguard documentation and on overall safeguard processes, which DRD has acted upon through an intensified training process for both TFs, CFs and the Project's township staff.

Under the AF, sub-projects will continue to be screened for land-related impacts and, if any land acquisition or asset loss is found to be unavoidable, measures to mitigate such impacts would be developed and implemented. The ESSAF was updated taking into account the experience of the original project that provides detailed procedures so impact on private land or assets would be addressed in line with the Bank OP 4.12. An RPF was developed and included as part of the ESMF.

To limit potential safeguards risks associated with sub-projects, the AF would apply a relatively low budget ceiling of 110,000,000 kyat (about US\$110,000) for sub-projects, and sub-projects exceeding 40,000,000 kyat (about US\$40,000) would require a prior review and no objection from

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| <p>the Bank. Sub-projects that will likely require a physical relocation of household are not eligible for project financing. Designs would be adjusted, and alternative locations would be sought, in order to avoid or minimize a loss of land or assets. Where a minor loss of private land or assets is unavoidable, impacts will likely be addressed through voluntary donations by the affected people for most cases in line with the Voluntary Land Protocol contained in the ESMF. If informed consent to donate 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 where project impact is significant, a full RAP is developed.</p> |
| <p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> |
| <p>No indirect or long term negative environmental and social impacts are expected under the project. It is unlikely that the implementation of subprojects would lead to a significant change in land use patterns in local areas. If investments are proposed in existing communities living in protected areas or reserved forests, any impacts will be assessed in line with the requirements provided in the ESMF, and if an investment is considered for financing, mitigation measures will be developed to minimize or avoid damage.</p> |
| <p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p> |
| <p>The project has developed eligibility criteria that render non eligible for financing under the project investments that would potentially generate significant adverse impacts. Specific designs are followed for subprojects.</p> |
| <p>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.</p> |
| <p>The Environmental and Social Screening and Assessment Framework (ESSAF) which was prepared under the original project was updated and an Environmental and Social Management Framework (ESMF) was prepared for this AF, taking into account the experience and lessons learnt from the original project. The ESMF will replace the ESSAF and will apply to the entire project regardless of the source of financing.</p> <p>The Department of Rural Development (DRD) under the Ministry of Livestock, Fisheries and Rural Development will continue to implement this AF as under the original project. The CDD Secretariat of the DRD, and its staff at township level, is responsible for the overall safeguard compliance of this AF as well as for communications and outreach, and capacity development of all project stakeholders. DRD will also make regular monitoring and supervision visits to project locations, review township monthly reports, resolve management and implementation issues as they arise, and provide a learning feedback loop with the townships. The DRD will provide quarterly progress reports to the steering committee and the World Bank. A technical assistance team at the union level will continue to provide safeguard capacity development support to the DRD.</p> <p>The Village Tract Project Support Committee (VTPSC) and village project support committees are responsible for ensuring that the community planning process and sub-project implementation cycle at the village tract and village levels, respectively, are carried out with due diligence and efficiency and in accordance with the project Operations Manual and ESMF. Technical assistance teams at the township level will provide safeguard capacity development support to the VTPSC.</p> |

The VTPSC reviews the respective village development plans and prioritizes the interventions against the needs of the tract and the available funding envelope in a 3-year village tract development plan. In each village tract, a village tract grievance sub-committee is established under the VTSPC, whose tasks include supporting the grievance handling mechanism, monitoring progress of grievance handling activities, and collecting/receiving and responding to complaints/grievances and, where necessary, referring such to the township level. The grievance sub-committee is composed of one to two representatives from each village who are not members of the village tract project support committee.

At the community level, the village monitoring sub-committee monitors progress in implementing the village sub-project including safeguard compliance. As under the original project, during construction, the village monitoring sub-committee will monitor progress in implementing any environmental and social mitigation measures. Monitoring reports will be publicly displayed on the village notice board. Village sub-project monitoring forms will capture information that is consistent with the project results framework.

At the township level, the DRD township engineer together with the township technical assistance team, CFs and TFs will continue to monitor subprojects regularly, including on safeguard performance, as under the original project. The DRD township engineer and the township M&E officer will undertake regular supervision visits to the village sub-project sites, review progress in implementing the village sub-project and any environmental and social mitigation measures, and recommend solutions to problems faced. The DRD township M&E officer will incorporate key findings from the supervision visits into the quarterly township progress report. The township engineer will undertake additional visits to advise the VPSCs on technical issues, as requested.

At the union level, the DRD union office staff and relevant union TA consultants will continue to undertake regular supervision and monitoring visits to townships, village tracts and village sub-project sites. Visits will serve to assess project implementation progress across the village tracts in a township. The DRD union office will ensure that experiences from other townships are shared in order to enhance implementation quality. DRD union office staff and union TA consultants will continue to provide technical support to the DRD township office staff and VTPSCs, as needed. The DRD union M&E officer will incorporate the findings from safeguard supervision visits as well as the data provided in the quarterly township progress report into the quarterly project progress report.

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

During safeguard consultation meetings held on February 9, 2015 in Yangon, February 11, 2015 in Mandalay and February 16, 2015 in Naypyitaw, this ESMF was the subject of consultations with key stakeholders including civil society and other project stakeholders. The revised ESMF following public consultations will be disclosed in accordance with the World Bank's Access to Information Policy. This document will be translated into Burmese and made available to the public and to Project stakeholders.

During implementation, the VTDPs (which serve as the Ethnic Minority Development Plan (EMDP) for this project and include a summary of participatory social assessment). If relevant, an abbreviated or full Resettlement Action Plan (RAP) will be disclosed in local languages at places accessible to affected people. Copies of VTDPs and RAPs will be made available at DRD Township office.

The VTPSC prepares a monthly consolidated report for all village sub-projects under implementation, including safeguard aspects, and submits it to the DRD township M&E officer. With the assistance of the volunteers, the village monitoring sub-committee organizes a village monitoring meeting about every two months or when major milestones have been achieved. Every effort will be made to ensure that as many villagers as possible attend the meeting. The village monitoring sub-committee will update villagers on all aspects of implementation progress (procurement activities, percent of works undertaken, number of person days of work and wages paid, expenses to date and cash on hand, women's involvement, safeguards and mitigation measures, etc.). Villagers will be given opportunities to discuss progress and raise any concerns they may have regarding village sub-project implementation. The VTPSC will file all safeguard instruments including voluntary donation forms, monitor their successful implementation through field visits and regular meetings with MSCs and record the current status of safeguard implementation including outstanding issues and grievances collected.

Villagers will be invited to attend social audits at the end of each annual cycle to review the expenditures made and progress achieved, discuss the findings of any financial and technical audit findings, and suggest local adaptations to the project cycle or community implementation structure. As long as the project is active in a township, villagers will have the opportunity to provide feedback or express complaints through a grievance handling mechanism. The summary of the social audit conducted at the end of the Cycle 1 is provided in Section F of the ESMF.

B. Disclosure Requirements

| Environmental Assessment/Audit/Management Plan/Other | |
|--|-------------|
| Date of receipt by the Bank | 28-Jan-2015 |
| Date of submission to InfoShop | 28-Jan-2015 |
| For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors | //// |
| "In country" Disclosure | |
| | |
| <i>Comments:</i> | |
| Resettlement Action Plan/Framework/Policy Process | |
| Date of receipt by the Bank | 28-Jan-2015 |
| Date of submission to InfoShop | 28-Jan-2015 |
| "In country" Disclosure | |
| | |
| <i>Comments:</i> | |
| Indigenous Peoples Development Plan/Framework | |
| Date of receipt by the Bank | 28-Jan-2015 |
| Date of submission to InfoShop | 28-Jan-2015 |
| "In country" Disclosure | |
| Myanmar | 26-Jan-2015 |
| <i>Comments:</i> | |
| If the project triggers the Pest Management and/or Physical Cultural Resources policies, the | |

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| respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP. |
| If in-country disclosure of any of the above documents is not expected, please explain why: |
| |

C. Compliance Monitoring Indicators at the Corporate Level

| | |
|---|---|
| OP/BP/GP 4.01 - Environment Assessment | |
| Does the project require a stand-alone EA (including EMP) report? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>] |
| Are the cost and the accountabilities for the EMP incorporated in the credit/loan? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| OP/BP 4.04 - Natural Habitats | |
| Would the project result in any significant conversion or degradation of critical natural habitats? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>] |
| 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? | Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>] |
| 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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>] |
| 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 [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>] |
| OP/BP 4.12 - Involuntary Resettlement | |
| Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>] |
| OP 7.50 - Projects on International Waterways | |
| Have the other riparians been notified of the project? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>] |
| If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Has the RVP approved such an exception? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| The World Bank Policy on Disclosure of Information | |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |

| | |
|--|---|
| 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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| All Safeguard Policies | |
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have costs related to safeguard policy measures been included in the project cost? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |

III. APPROVALS

| | | |
|-------------------------------|---------------------------------------|-------------------|
| Task Team Leader(s): | Name: Ingo Wiederhofer, Nikolas Myint | |
| Approved By | | |
| Safeguards Advisor: | Name: Peter Leonard (SA) | Date: 02-Apr-2015 |
| Practice Manager/ Manager: | Name: | Date: |