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Report No: PAD5553

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED GRANT

IN THE AMOUNT OF US\$9.2 MILLION

FROM THE

MYANMAR PARTNERSHIP MULTI-DONOR TRUST FUND

TO THE

INTERNATIONAL COMMITTEE OF THE RED CROSS

AND THE

WORLD FOOD PROGRAMME

FOR

ADDITIONAL FINANCING TO THE MYANMAR COMMUNITY SUPPORT PROJECT

MARCH 22, 2024

Social Sustainability and Inclusion Global Practice
East Asia and Pacific Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective November 30, 2023)

Currency Unit = Myanmar Kyat (MMK)

MMK 2,100 = US\$ 1

FISCAL YEAR

April 1 - March 31

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Country Director: Mariam J. Sherman

Regional Director: Anna Wellenstein

Practice Manager: Ingo Wiederhofer

Task Team Leaders: Sean Bradley, Kaori Oshima, Patrick John Barron

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
APA	Alternative Procurement Arrangements
BSFP	Blanket Supplementary Feeding Program
CPF	Country Partnership Framework
EAO	Ethnic Armed Organization
EAP	East Asia and the Pacific
E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
FAO	Food and Agriculture Organization
FM	Financial Management
GRS	Grievance Redress Service
ICRC	International Committee of the Red Cross
IDPs	Internally Displaced Persons
IPF	Investment Project Financing
ISR	Implementation Status and Results Report
MCSP	Myanmar Community Support Project
MMK	Myanmar Kyat
NUG	National Unity Government
OPCS	Operations Policy and Country Services
PDO	Project Development Objective
PPSD	Project Procurement Strategy for Development
RF	Results Framework
SEP	Stakeholder Engagement Plan
SORT	Systematic Operations Risk-rating Tool
TPM	Third-Party Monitoring
UNICEF	United Nations Children’s Fund
WFP	World Food Programme

Myanmar

Additional Financing to the Myanmar Community Support Project

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BASIC INFORMATION – PARENT (Myanmar Community Support Project - P179066)

Country Myanmar	Product Line Recipient Executed Activities	Team Leader(s) Sean Bradley		
Project ID P179066	Financing Instrument Investment Project Financing	Resp CC SEAS1 (9358)	Req CC EACMM (8863)	Practice Area (Lead) Social Sustainability and Inclusion

Implementing Agency: WFP, ICRC

Is this a regionally tagged project? No	
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Bank/IFC Collaboration No

Approval Date 26-Apr-2023	Closing Date 31-Mar-2024	Expected Guarantee Expiration Date	Environmental and Social Risk Classification Substantial
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Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input checked="" type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input checked="" type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)



Development Objective(s)

To improve food security and livelihoods of vulnerable populations in selected areas of Myanmar

Ratings (from Parent ISR)

	Implementation	Latest ISR
	10-Jul-2023	03-Jan-2024
Progress towards achievement of PDO	S	S
Overall Implementation Progress (IP)	S	S
Overall ESS Performance	S	S
Overall Risk	H	H

BASIC INFORMATION – ADDITIONAL FINANCING (Additional Financing to the Myanmar Community Support Project - P181413)

Project ID P181413	Project Name Additional Financing to the Myanmar Community Support Project	Additional Financing Type Scale Up	Urgent Need or Capacity Constraints Yes
Financing instrument Investment Project Financing	Product line Recipient Executed Activities	Approval Date 22-Mar-2024	
Projected Date of Full Disbursement 31-Mar-2025	Bank/IFC Collaboration No		
Is this a regionally tagged project? No			

Financing & Implementation Modalities

<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)



<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input checked="" type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input checked="" type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
Grants	13.20	13.20		100 %

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Additional Financing to the Myanmar Community Support Project - P181413)**FINANCING DATA (US\$, Millions)****SUMMARY (Total Financing)**

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	13.20	9.20	22.40
Total Financing	13.20	9.20	22.40
Financing Gap	0.00	0.00	0.00

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

Trust Funds	9.20
Myanmar Strategic Partnership	9.20



COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any other Policy waiver(s)?

Yes No

Explanation

The project sought and received a waiver of the application of the Anti-Corruption Guidelines (ACGs) to WFP given UN institutional and policy constraints to applying the Bank's ACGs. Agreed upon alternative assurance mechanisms will be applied.

Has the waiver(s) been endorsed or approved by Bank Management?

Approved by Management Endorsed by Management for Board Approval No

Explanation

A waiver of the Application of the Bank's ACGs to WFP was approved by the OPCS Vice President on October 30, 2023.



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

INSTITUTIONAL DATA

Practice Area (Lead)

Social Sustainability and Inclusion

Contributing Practice Areas

Agriculture and Food
Social Protection & Jobs

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Sean Bradley	Team Leader (ADM Responsible)		SEAS1



Kaori Oshima	Team Leader		SEAS1
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Yashodhan Ghorpade	Team Member		HEASP
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Extended Team			
Name	Title	Organization	Location
Sai Yarzar htun	Conflict Consultant		
Seth Kane	Conflict Analyst	University of Washington	



I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

A. Introduction

1. **This project paper seeks the approval of the Regional Vice President for an Additional Financing (AF) of US\$9.2 million in grant funds for the Myanmar Community Support Project (MCSP).** The grant funds come from the Myanmar Partnership Multi-Donor Trust Fund (TF072229; TF072561) to which the Australian Department of Foreign Affairs and Trade made an additional contribution of AUD13 million on May 10, 2023. The project paper also seeks approval of a level two restructuring to: (a) extend the closing date of the MCSP by six months to September 30, 2024, to provide sufficient time for the implementation of the additional financing; and (b) update the MCSP results targets to reflect the additional financing and the evolving country context since the original project's approval and to add a World Bank Group results indicator from the Corporate Scorecard. The project design, including the project development objective (PDO) and components, and the implementation arrangements of the MCSP with AF, will remain unchanged.

B. Background and Context

2. **The MCSP was approved on April 26, 2023, and became effective on May 2, 2023.** At that time, Myanmar was experiencing a severe economic, political, and social crisis as a result of COVID-19 and the military takeover of February 2021. In 2022, the economy was estimated to be 30 percent smaller than it would have been without COVID-19 and the takeover. Vulnerable households were facing increasing debt and were resorting to negative coping strategies, including reduced food consumption and the sale of assets. Joint assessments by the World Food Programme (WFP), Food and Agriculture Organization, and United Nations Children's Fund (UNICEF) estimated that a total of 15.2 million, or 28 percent of the population, were either severely or moderately food insecure (of which 1.2 million were severely food insecure), and that the situation was likely to deteriorate over the course of 2023.¹ Conflict has escalated sharply since the military takeover, with conflict and violence spreading across the country. In November 2023 fighting further escalated in a number of states and regions across the country, leading to the displacement of more than 200,000 additional people.² As of early-March 2024, approximately 2.5 million people had been displaced due to clashes and insecurity since the military takeover, increasing the total number of internally displaced persons (IDPs) in Myanmar to 2.7 million.³
3. **The MCSP was designed as an emergency response to the deteriorating situation.** The PDO is to improve food security and livelihoods of vulnerable populations in selected areas of Myanmar. The project seeks to support households to meet basic food security and nutritional needs, and to reduce negative coping strategies brought on by multiple shocks caused by the current crises. The PDO is to be achieved through four project components: (i) Protect Human Capital; (ii) Improve Nutrition of Vulnerable Groups; (iii) Support Sustainable Livelihoods; and (iv) Ensure Access to Basic Services. Components (i) and (ii) are implemented by the WFP, and components (iii) and (iv) are implemented by the International Committee of the Red Cross (ICRC). In addition, Third-Party Monitoring (TPM) of project

¹ UN OCHA, 2023 Humanitarian Response Plan Myanmar.

² UN OCHA, 14 November 2023, Myanmar: Intensification of clashes. Flash Update #4.

³ UNHCR, March 2024.



activities is carried out under an associated Bank-executed Trust Fund. More information on these components, and implementation progress to date, is provided below.

4. **Project locations.** The MCSP supports WFP to implement activities in central and northern Rakhine. ICRC project locations were kept flexible to allow for the project to respond to areas with emerging needs and because restrictions on access could mean that some areas could not be reached. To date, ICRC has implemented MCSP activities in Kachin, Rakhine, Shan, and Chin states. The project aims to support approximately 316,400 vulnerable and conflict-affected people.

C. Progress to Date

5. **Implementation progress to date has been satisfactory.** Both Implementing Partners are progressing as planned with no major obstacles to achieving the planned coverage and outcomes of the project. The World Bank has carried out three Implementation Support Missions (May, August and December 2023) and one field mission (October 2023). Findings from these missions, and three rounds of quarterly reports from the Implementing Partners, have informed the project's latest Implementation Status and Results Report (ISR) (January 2024).
6. **The latest ISR ratings for both overall implementation progress and progress towards achievement of the PDO are Satisfactory.** Both WFP and ICRC report being able to operate in the project areas, including those affected by conflict, without major implementation constraints. Results Framework (RF) and other indicators of progress are mostly on track to reach or exceed targets. As of December 2023, WFP and ICRC report reaching 385,347⁴ beneficiaries, or 21 percent more than the originally target of 316,400. A post-distribution survey carried out in October 2023 found that WFP-supported households relying on crises or emergency coping strategies had fallen to 32 percent (from nearly 49 percent the year before). However, the percentage of households with acceptable food consumption scores remained approximately the same as baseline, at 75 percent, or 5 points below the target of 80 percent. At the same reporting period, ICRC also found a 3-percentage point improvement on the percentage of households relying on crisis or emergency copying strategies (falling from 26 percent to 23 percent). Subsequent surveys will reflect both seasonal variations on access to food as well as the deteriorating conflict situation and associated food price increases in some project areas at the end of 2023⁵. As of end December 2023, the project had disbursed 100 percent of total grant commitments.
7. **Component 1: Protect Human Capital.** As of the end December 2023⁶, this component has supported 27,815 beneficiaries (of whom 14,742 are female) through emergency food assistance in central and northern Rakhine, which is slightly more than the original target. WFP's post-distribution survey also found that among its assisted households, men and women were responsible for making decisions over the use of cash assistance in 54 percent of households and in 83 percent of households in decisions over the use of in-kind assistance. The survey also found that more than 90 percent of households are

⁴ The data reported in the ISR of January 2024 are as of October 2023.

⁵ Food prices in Rakhine state have increased at alarming rates from the end of November 2023 as the flows of goods into and between townships was blocked. The average cost of the basic food basket in Rakhine was up 51 percent month-on-month and remained 141 percent higher year-on-year at the end of December 2023. Sharp month-on-month increases for all monitored food commodities were observed across the country during December, but the steepest increases were recorded in Rakhine. (Source: WFP Myanmar).

⁶ WFP Progress Report December 2023.



“completely” or “partially” satisfied with the quantity and quality of assistance received from WFP (approximately 15 percentage points above the RF target). This figure reached 96 percent for female-headed households.

8. **Component 2: Improve Nutrition of Vulnerable Groups.** As of December 2023⁹, this component has reached 8,619 beneficiaries (4,913 females), also slightly more than originally planned. The post-distribution survey in October 2023 showed that nearly half (49 percent) of the assisted households had women and girls of reproductive age consuming five or more food groups, thereby achieving minimum dietary diversity (11 percentage points below RF target). Seasonal variations (between dry and rainy seasons with different levels of availability of food products) will be considered when assessing the project’s outcomes for the remaining implementation period.
9. **Component 3: Support Sustainable Livelihoods.** As of December 2023,⁷ cumulative figures of beneficiaries of livelihood support assistance reached 146,863 (77,449 females), which is 102 percent of the overall target. Support for paddy rice production was completed as planned in the third quarter of the year and winter seeds and cash-for-work activities continued into the final quarter of 2023. The ICRC survey reports that 90 percent of target households receiving project support are able to cover their basic needs, while the proportion of household food derived from own production is about 69 percent (against 20 percent at the baseline and an 80 percent target). In addition, ICRC surveys indicate that about 92 percent of beneficiaries (equal for men and women) are satisfied with the support provided.
10. **Component 4: Ensure Access to Basic Services.** As of the end of December 2023⁸, cumulative figures of beneficiaries served under component 4 were 202,050 or about 149 percent of the original target (of which 104,747 were female). The range of infrastructure supported includes emergency infrastructure, such as post-Cyclone Mocha repairs and ad-hoc emergency and water scarcity responses (129,540 beneficiaries); essential community infrastructure such as rehabilitation of ponds, handpumps, school repairs, latrines, etc. (51,833 beneficiaries); and peri-urban infrastructure, such as urban well and tank rehabilitation (20,677 beneficiaries). The higher-than-anticipated levels of support were the result of ICRC’s emergency response to Cyclone Mocha. The proportion of people assisted who indicated that project infrastructure support or services had had a positive impact was 97 percent overall and 91 percent for females.
11. **Third-Party Monitoring (TPM) of project activities is being carried out under a Bank-Executed Trust Fund.** The TPM aims to strengthen project supervision and ensure that project support reaches the target beneficiary populations. The TPM is implemented by a national civil society organization with a strong local network. In-person interviews and follow-up phone surveys of project beneficiaries and non-beneficiaries are being used to independently verify the status of project implementation; identify issues or problems to resolve with the implementing partners; and offer lessons to other Bank teams working in FCV contexts. The first round of monitoring was undertaken in October 2023, and provided insights for further improving the MCSP implementation modalities, such as targeting of beneficiaries, suitable types of seeds to be provided to certain local areas, and access to grievance redress mechanisms. In addition, the Bank team, through the Myanmar Institute for Peace and Security, is

⁷ ICRC Progress Report December 2023.

⁸ ICRC Progress Report December 2023.



carrying out conflict assessments of all the areas where the project is operating including through media and social media analysis. These are shared with the Implementing Partners, with regular sessions held to discuss findings and implications for project activities.

12. **Compliance with Environmental and Social Framework (ESF).** The latest rating for environmental and social (E&S) performance of the MSCP is Satisfactory. The project has shown progress in E&S capacity building, awareness raising and stakeholder engagement activities; site-specific E&S instruments have been prepared and associated E&S risk mitigation measures have been implemented as required. Both Implementing Partners have submitted the first and second quarter reports (that have covered E&S implementation activities), which were reviewed and considered acceptable by the World Bank. Implementing Partners have reported that they have not observed any major issues related to compliance or implementation of ESF instruments by their local partners and contractors.
13. **Compliance with legal covenants.** The Implementing Partners have complied with all legal covenants.

D. Rationale for the Proposed Additional Financing

14. **Additional financing is sought to scale-up the MCSP.** The socio-economic situation remains dire in much of the country, with high and persistent levels of conflict, forced displacement, and humanitarian and development needs. This situation was further exacerbated by the devastating impacts of Cyclone Mocha, which struck northwestern Myanmar in May 2023, which has impacted some project areas. Implementation to date indicates that the MCSP is an effective means of responding to these critical needs of affected populations.
15. **As of early-March 2024, around 2.7 million people are displaced across the country due to insecurity and violence,⁹ and 61 townships were under martial law.** As of December 31, 2023, more than 78,000 civilian properties have been burnt or destroyed¹⁰ and approximately 1.3 million refugees and asylum-seekers from Myanmar were in neighboring countries, including approximately 972,000 refugees in Bangladesh.¹¹ An additional 630,000 members of Muslim communities in Rakhine remain in Myanmar, where they continue to endure long-standing difficulties, including a lack of basic rights and severe restrictions on their freedom of movement.¹²
16. **Cyclone Mocha, which made landfall in northwestern Myanmar as a category 4 tropical cyclone, brought further devastation and hardship to an area of the country already suffering widespread deprivation.** The cyclone affected approximately 1.6 million people¹³ and caused widespread and significant damages, estimated at US\$2.24 billion (3.4 percent of Myanmar's GDP in 2021) to infrastructure, including health facilities, schools, communication networks, transportation systems, housing and agriculture. Five states or regions—Rakhine, Chin, Sagaing, Magway, and Mandalay—were affected, with over 80 percent of damage occurring in Rakhine State and Sagaing Region.¹⁴ Numerous

⁹ UN OCHA, Myanmar humanitarian update No. 36.

¹⁰ Latest available from Data for Myanmar, the organization maintaining best up-to-date data on arson, etc.

¹¹ UNHCR Operational Data Portal, December 31, 2023.

¹² UNHCR, June 2023.

¹³ Relief Web, International Federation of Red Cross and Red Crescent Societies, Cyclone Mocha Operation Update, June 23, 2023.

¹⁴ Global Rapid Post-Disaster Damage Estimation (GRADE) Report, World Bank, Myanmar, June 29, 2023.



MCSP project locations were affected. ICRC and WFP were able to draw on MCSP resources to respond in a timely manner.

17. The World Bank will continue to add value through this operation in the following ways:

- a. ***Operational implementation experiences.*** The design of the MCSP-AF draws on lessons learned from World Bank's global work and from specific interventions in Myanmar, including operations in the community development, agriculture, and social protection sectors. The Bank will continue to work closely with the Implementing Partners to strengthen community participation and demand-driven aspects through the community infrastructure and livelihood components. Specifically, under the MCSP, the Bank has been able, and will continue under the MCSP-AF, to: (i) enhance results monitoring by ICRC and WFP of shared areas of outcomes, (ii) improve stakeholder engagement and project social and environmental risk management, and (iii) increase the emphasis on gender inclusion in project interventions.
- b. ***Improved conflict analysis and increased understanding of implementation challenges.*** Ongoing conflict analyses at township levels and the monitoring of conflict and contextual changes nationally and locally will be used to complement the conflict analysis of the implementing partners with a view to informing their operations. The existing TPM mechanism established under the MCSP to enhance the Bank's implementation support (which is the first of its kind with the ICRC globally) would continue under the MCSP-AF to provide insights into the effectiveness of the emergency and other assistance being provided under the project. The first round of field monitoring was completed in 34 sites (camps, villages, ward) in Central and Northern Rakhine, Shan, and Kachin in November 2023. Results have been analyzed and discussed with the Implementing Partners to strengthen the project's targeting and to better address beneficiary needs, such as on types of seeds that are provided to the beneficiaries, and the need to update the beneficiary lists. Coordination and preparatory work for the next round of monitoring activities have begun in February 2024. This TPM mechanism will also help to inform future work in Myanmar as well as other countries and contexts experiencing conflict and fragility.

II. DESCRIPTION OF ADDITIONAL FINANCING

- 18. Project design, including PDO, components, activities, and implementation agencies, will remain unchanged under the MCSP-AF.** One PDO-level results measure will be added to the RF to incorporate a relevant Corporate Scorecard indicator, and targets of existing indicators will be updated to reflect the MCSP-AF scale up and lessons learned to date. No changes will be made to the current Operations Manuals except to update those aspects related to the MCSP-AF scale-up. Procurement arrangements will remain the same, with the procurement rules of ICRC and WFP being used.¹⁵ The Project Procurement Strategies for Development (PPSD), prepared by WFP and ICRC, have been updated with only minor adjustment given project activities remain the same. Procurement plans are also being updated by both Implementing Partners. There is no change to the financial management arrangements. The existing E&S risk management instruments (Environmental and Social Management

¹⁵ ICRC and WFP procedures are acceptable to the World Bank as Alternative Procurement Arrangements (APA) allowed for under Section II of the Procurement Regulations for IPF Borrowers.



Framework (ESMF), Stakeholder Engagement Plan (SEP), and Environmental and Social Commitment Plan (ESCP) of WFP and ICRC respectively have been updated to reflect the MCSP-AF, and the updated instruments will cover the project activities of WFP and ICRC under both the parent MCSP and MCSP-AF.

19. **The MCSP-AF involves one waiver and three other exceptions to Bank Operational Policies or Procedures, all of which have been approved.** These are (i) a waiver of the application of the Anti-Corruption Guidelines (ACG) for WFP, which was approved by the Vice President of Operations Policy and Country Services (OPCS) on October 30, 2023; (ii) an exception to proceed with the preparation of an additional financing when project implementation has been less than 12 months, which was approved by the Regional Vice President on July 27, 2023; (iii) an exception to apply Alternative Procurement Arrangements (APA) by both implementing agencies, which was approved by the Chief Procurement Officer on October 10, 2023; (iv) a request to finance food expenditures, which was approved by the Regional Vice President on October 20, 2023).
20. **Component 1: Protect Human Capital (WFP).** This component will continue to provide emergency food assistance in Central and Northern Rakhine. WFP will retain the flexibility to provide support either as cash or in-kind (i.e., food). While WFP typically aims to provide cash, at times providing food is more viable. For example, one effect of Cyclone Mocha was to significantly increase-- by as much as 90 percent-- the price of rice in areas that were affected by the storm due to the destruction of existing stocks and damaged roads impeding resupply. As a result, WFP distributed rice instead of cash in parts of central Rakhine for a short time before reverting to cash in June 2023. WFP conducts regular market assessments to determine the value of cash assistance per person. It is currently planned that on average MMK 40,000 (estimated US\$15) in cash or in-kind equivalent of food will be provided to each beneficiary per month.
21. **Component 2: Improve Nutrition of Vulnerable Groups (WFP).** This component will continue to deliver support to pregnant and lactating women and girls and children under five years of age under WFP's Blanket Supplementary Feeding Program (BSFP). BSFP nutrition interventions will include specialized nutritious foods, growth monitoring of infants and children, counselling and cooking demonstrations, and referrals. Three kilograms of specialized food (wheat-soy blend-- WSB++) will be provided to each pregnant or breastfeeding woman and girl and three kilograms of WSB+ to each child under two. The same geographic areas will be targeted as for the MCSP.
22. **Component 3: Support Sustainable Livelihoods (ICRC).** Component 3 finances the provision of several types of basic livelihoods support to reduce negative coping strategies by displaced and conflict-affected populations. These are: (i) unconditional cash transfers to assist vulnerable households affected by violence and/or natural hazards; (ii) cash-for-work to cover the critical needs of vulnerable households and help to maintain or repair community infrastructure; and (iii) inputs and technical oversight and assistance to increase household agricultural production to improve food security. Under the AF, assistance will continue to prioritize food production (paddy and vegetable seeds), and continue to target conflict-affected, displaced, and highly vulnerable communities, including those living in the areas most recently affected by Cyclone Mocha.



- 23. **Component 4: Ensure Access to Basic Services (ICRC).** Component 4 finances construction materials, basic equipment, contractor costs, labor, and technical oversight for small-scale infrastructure that supports access to basic services such as water, sanitation, and shelter. Most sub-projects are small in scale (in general ranging in value from US\$500 for individual shelters or latrines to US\$50,000 for medium size water systems). With the AF, activities will continue to focus on short-term emergency responses, small-scale community infrastructure projects, reconstruction of embankments, and rehabilitation and protection of additional rainwater harvesting ponds, rehabilitation of health facilities, and development of water sources and construction of distribution networks in IDP re-settlements areas.
- 24. **Third-party monitoring (TPM) and conflict monitoring will continue throughout the period of the MCSP-AF.** These activities will be financed through separate World Bank-executed Trust Funds. The TPM aims to strengthen project supervision and ensure that project support reaches the target beneficiary populations. It verifies independently the status of project implementation and identifies issues or problems to resolve with the implementing partners. The initial analysis of baseline data indicates that some beneficiary lists are outdated, certain seed inputs did not yield as well as expected, beneficiaries face challenges with food price inflation and in accessing the project’s grievance redress mechanisms. These issues are being discussed with the WFP and the ICRC teams.¹⁶ In addition, the Bank team is carrying out conflict assessments of all the areas where the project is operating, and ongoing monitoring of violence and conflict in project areas to identify and help to mitigate implementation risks. Findings from these are discussed regularly with Implementing Partners to facilitate adjustments as needed as conditions change.

Table 1: Project costs by component: MCSP and MCSP-AF

Components (partner agency)	Component Cost MCSP (US\$)	Component Cost AF (US\$)	Total MCSP + AF (US\$)
1. Protect human capital (WFP)	4,505,000	3,128,000	7,633,000
2. Improve nutrition of vulnerable groups (WFP)	795,000	552,000	1,347,000
3. Support sustainable livelihoods (ICRC)	3,475,000	2,438,000	5,913,000
4. Ensure access to basic services (ICRC)	4,425,000	3,082,000	7,507,000
Total (US\$)	13,200,000	9,200,000	22,400,000

- 25. **Number of project beneficiaries.** The MCSP-AF will target an estimated 192,500 additional beneficiaries, which will bring the total coverage of the MCSP to approximately 508,900 beneficiaries (see Table 2 below).

Table 2: Beneficiaries by component and implementing agency: MCSP and MCSP-AF

¹⁶ Additional monitoring data show a relatively high percentage of women-headed households (at 16%) among beneficiaries; significant ethnic diversity in Northern Rakhine sites; a strong dependence on casual labor for livelihoods in Central Rakhine sites; and highest indicated priority needs are for WASH and general infrastructure in all study areas except for Kachin (where the highest priority was for cash).



Components and Implementing Partners	MCSP Beneficiaries	AF Beneficiaries	Total MCSP + AF Beneficiaries
1. Protect human capital (WFP)	27,800	14,700	42,500
2. Improve nutrition of vulnerable groups (WFP)	8,600	8,300	16,900
3. Support sustainable livelihoods (ICRC)	144,000	101,500	245,500
4. Ensure access to basic services (ICRC)	136,000	68,000	204,000
Total	316,400	192,500	508,900

26. **The geographic target areas of the MCSP-AF project will remain the same as under the MCSP.** WFP will continue to implement activities under components 1 and 2 in Rakhine State. ICRC will also retain flexibility to implement Components 3 and 4 in the geographic areas identified under the original MCSP in Shan, Kachin, Chin, Kayah, Kayin, and Rakhine states, and Magway, Mandalay, and Sagaing regions.

27. **Results Framework.** The original RF indicators have been updated to: a) add one PDO-level measure to capture one of the Corporate Scorecard indicators related to food and nutrition security; b) reflect the increase in the number of beneficiaries under the MCSP-AF, and c) modify target values of a few indicators that reflect lessons learned under the original project. The new indicator to be added is “Number of people with strengthened food and nutrition security”, and is relevant to three out of the four components of the project. A target value for this new indicator has been identified together with the Implementing Agencies.

28. **Indicators in some cases have been revised down due to the extremely challenging implementation context.** Conflict is escalating in several parts of the country including in Rakhine, where a significant share of project activities is taking place. There has been a marked rise in the cost of food and cyclone Mocha had a negative impact on food supplies, further challenging the ability of beneficiaries to meet their basic needs with cash assistance¹⁷. Adjustments are also proposed for ICRC’s outcome-level indicator “Percentage of households in target population relying on crisis and emergency livelihood-based coping strategies”, which appears to have been underestimated at baseline and therefore having an overly ambitious end-target value. This, combined with the increased conflict and market disruptions noted above, support a slightly reduced end-line target. The table below presents changes in the project’s results indicators.

Level of results (Change)	Indicator(s)	Baseline	Original Target	Current value	Revised Target
Outcome (New Measure)	Number of people with strengthened food and nutrition security	0	N/A	183,297 (December 2023)	304,400
Outcome (New Target)	Percentage of households in the target population with acceptable food consumption score – WFP	74%	80%	75% (October 2023)	76%
Outcome (New Target)	Percentage of female-headed households in target population	75%	80%	72% (October)	76%

¹⁷ For example, there is an increase of 57% for the cost of the basic food basket and 68% for rice, compared to the same time last year. It is also +4% for the basic food basket and +4% for rice, from November to December 2023.



Level of results (Change)	Indicator(s)	Baseline	Original Target	Current value	Revised Target
	with acceptable food consumption score – WFP			2023)	
Outcome (New Target)	Percentage of households in target population relying on crisis and emergency livelihood-based coping strategies – ICRC	26%	20%	23% (September 2023)	23%
Intermediate: Component 3 (New Target)	Proportion of household food derived from own production – ICRC	20%	80%	69% (September 2023)	70%

29. **The MCSP-AF is aligned with the World Bank’s FY20-23 Myanmar Country Partnership Framework (CPF).** The CPF (Report No. 147607-MM) identifies “building human capital and fostering peaceful communities” as the first of three focus areas. The objectives of this focus area include expanding equitable access to basic services and community-level infrastructure in the most underserved communities. The AF is also consistent with the WB Strategy for Fragility, Conflict, and Violence 2020-2025 (FCV Strategy). The strategy emphasizes the need for the World Bank and others to stay engaged during times of active conflict and for the Bank to work closely with humanitarian and other partners to ensure a synergy between short- and medium-term responses. The AF is also informed by the Bank Policy on Development Cooperation and Fragility, Conflict, and Violence, particularly as it relates to working together with other actors to mitigate risks associated with conflict and violence and to enhance resilience and coping capacities for the most disadvantaged and vulnerable.
30. **The MCSP-AF is also consistent with Myanmar’s Nationally Determined Contribution (NDC).** The activities to be financed outlined above do not hinder the achievement of Myanmar’s climate commitments and efforts on both mitigation and adaptation as outlined in the updated NDC (July 2021) and Myanmar Climate Change Strategy 2018-2030 (2019), considering the operation’s emergency context and focus on improving the food security and livelihoods of vulnerable populations in Myanmar.

III. KEY RISKS

31. **The overall residual risk rating for the project remains High** with several risks rated as substantial or high per the Systematic Operations Risk-rating Tool as described below. The only risk changed from the Original Project is that relating to Technical Design, which is now considered moderate given that the MCSP-AF will employ the same design and implementation arrangements as the parent MCSP, which have proven to be effective.
32. **Political and Governance risks (including security) remain High.** The operational context remains challenging. Due to their long-established mechanisms for securing access to project sites, ICRC and WFP have been able to navigate security concerns and restrictions imposed by the administration to deliver assistance to target communities. However, risks in this area persist and could affect MSCP-AF implementation, in particular as levels of conflict rise. Mitigation measures remain in place: ICRC and WFP have dynamic contingency plans to deal with access issues. The Bank has contracted a local firm to carry out third party monitoring to provide information on how the project is working and to help



address challenges as they arise. The Bank is also carrying out (through a firm) regular violence monitoring and conducting township conflict assessments to help inform project implementation.

33. **Macroeconomic risks remain *Substantial*.** Economic conditions have deteriorated in the second half of 2023, with the signs of recovery observed in the first half of 2023 proving to be fragile and short-lived. Macroeconomic volatility resumed, with MMK depreciating by around 18 percent against the US dollar within the three months to the end of September 2023. Consumer price inflation stood at 28.6 percent over the year to June 2023, but the subsequent MMK depreciation and rise in conflict has led to a further increase in prices in the period since. More recently, armed conflict has escalated across the country, severely disrupting lives and livelihoods, blocking major transport routes and trade channels, and heightening uncertainty around the economic outlook. The business environment worsened due to the escalation of conflict, frequent power outages, trade and foreign exchange restrictions, shortages of some key inputs, and frequently changing rules and regulations. This has led to a slowing of growth and a surge in poverty and food insecurity. These factors should not affect the ability of the MCSP-AF to deliver project support, but they could affect cost of delivery and therefore coverage. To mitigate some of these risks WFP will draw from existing regional food stocks (in the event of higher global food costs), and both agencies will manage project funding from their international headquarters to avoid any significant exchange rate changes.
34. **Financial management (FM) risk is rated as *Substantial*.** For WFP, risks include weaknesses at the corporate level in terms of internal control with respect to cash advances, independent monitoring and evaluation, and cooperating partner monitoring. For ICRC the main risks are fraud risks associated with working advances and in the recruitment, supervision, and payment of daily workers. The mitigation measures in place at the corporate level include internal auditors, and alternative assurance arrangements including internal ethics and integrity units (ICRC), anti-corruption guidelines (WFP) and Agreed Upon Procedures reviews as deemed necessary (ICRC). The main FM risks that remain at the country level are: (i) the risk of cash being stolen in transit due to local level conflict; (ii) continued banking and cash-flow constraints as a result of international sanctions and quotas on withdrawals imposed by the local administration; (iii) use of illicit/parallel exchange markets (due to the substantial discount on the official exchange rate) increasing the risk for theft or fraud; (iv) closure of local administrative offices or escalated violence/conflict that limit the ability of the partners to fully access areas, execute the project and account for the use of resources (resulting in expenses being declared ineligible); and (v) challenges to partners (and the World Bank) to supervise and monitor project activities in the field. At the local level, mitigation efforts include the use of MMK denominated accounts to avoid possible banking constraints; allowing foreign currencies conversions only at the local commercial banks in Myanmar where WFP and ICRC have established their respective pooled Operations Accounts for the project; additional Bank-executed monitoring and evaluation support; FM and disbursement training; use of “cash-in-transit” insurance policies; instituting a maximum threshold for individual cases; and ensuring adequate security is provided during the transportation of cash.
35. **Procurement risk is *Substantial*.** While institutional capacity related risks are considered low, key risks beyond the control of both agencies, but which may have direct effect on project implementation are higher. These are: (i) price increases for commodities due to the global and local market inflation and exchange rate challenges; (ii) changing import restrictions that may delay delivery of critical goods; (iii) logistics challenges in distributing project inputs to end users in conflict-affected areas; and (iv)



restricted access to cash and poor banking/digital finance systems in country. Mitigation measures include advanced planning and secured funding for advanced procurement, use of stock-piled goods in the event of import delays, regular engagement by implementing agencies with local administration to ensure effective and unimpeded distribution, encouraging local procurement, and close coordination with financial management units of each agency for cash planning and transfer needs.

36. **Environmental and social risks remain *Substantial*.** Nine of ten Environmental and Social (E&S) Standards remain relevant, with risks including: (i) potential exclusion of disadvantaged or vulnerable households and ethnic minorities; (ii) risks of conflict, sexual exploitation or abuse (SEA/SH), occupational health and safety to community members or project workers; (iii) risks to beneficiaries when collecting assistance (security, discrimination, SEA/SH, COVID-19); (iv) food safety from improper storage of food assistance; (v) air, water and soil pollution and occupational health and safety risks associated with construction and renovation activities; (vi) extraction of forest resources; (vii) improper disposal of aid packaging or construction materials; (viii) pesticides or agrochemical risks; and (ix) potential for insufficient stakeholder engagement. Healthcare waste related risks are also possible as renovation of healthcare centers may be carried out under the ICRC's AF activities. Mitigation measures as outlined in the E&S risk management instruments (the Environmental and Social Commitment Plan (ESCP), the Stakeholder Engagement Plan (SEP) and the Environmental and Social Management Framework (ESMF)) will be applied. In general, the institutional capacity and track record of both ICRC and WFP to prevent such risks from materializing is high.
37. **Stakeholder risks remain *Substantial*.** The MCSP is operating in a complex and evolving environment where there are a large number of stakeholders with diverse views, including Ethnic Armed Organizations (EAOs) and People's Defense Forces. Since the military takeover, a parallel National Unity Government (NUG) has emerged, contesting power with the military authorities. In some project locations, EAOs remain active. There have been debates, including within international and local non-governmental organizations, about the extent to which development assistance may be captured or influenced by the military regime and some are critical of any engagement that does not go through the NUG. To date, these risks have not materialized. The World Bank will continue to closely monitor stakeholder risks based on various sources of information including communication with the Implementing Partners, the on-going conflict monitoring, and TPM.

IV. APPRAISAL SUMMARY

A. Economic and Financial Analysis

38. **The MCSP-AF is expected to have direct positive economic impacts and non-quantifiable indirect social benefits of enhanced community cohesion, and mitigation of unsustainable coping strategies.** The Bank conducted a review of similar interventions in Myanmar and other country contexts for the original project¹⁸, which found that all project activities (food and cash transfers; nutrition support; livelihoods support; agricultural input kits; and small works) are likely to have positive Economic Internal Rates of Return. The MCSP-AF will continue to finance the same types of activities.

¹⁸ Project Appraisal Document for Myanmar Community Support Project (P179066).



39. **It is worth noting that macroeconomic volatility increased during the second half of 2023, largely due to sharp exchange depreciation, high consumer prices and the escalation of conflict.** The latest estimates indicate that inflation increased from 27.2 percent in March 2023 to 28.6 percent in June 2023, driven mainly by a surge in food and transport prices due to exchange rate depreciation and disruptions of local supply chains due to conflict.¹⁹ The MMK depreciated by about 23 percent against the US dollar in 2023 following the introduction of U.S. sanctions on two large state-owned banks, the announcement of restrictions on cross-border payments by international banks, and the launch of a higher denomination 20,000 MMK banknote, which fueled renewed devaluation expectations. The premium between the parallel market rate and the official reference rate almost doubled to 66 percent over the same period, with persistent shortages of US dollars at below market rates.
40. **However, the widening exchange premium and increased foreign currency shortages are not expected to negatively impact the project's value for money and support to beneficiaries.** There have been changes in policy that address these issues at the project level under which the Implementing Partners receive funds in foreign currencies other than local MMK. More specifically, since April 2023, the Central Bank of Myanmar relinquished control over foreign exchange rates, allowing all commercial banks in Myanmar to use market exchange rates instead of a discounted rate. Therefore, many licensed commercial banks are offering competitive rates to attract customers, making the widening exchange premium less of an issue. Both WFP and ICRC confirmed that the exchange loss has no longer been an issue. Additionally, there are adequate mitigation measures in place for the project to ensure transparency and accountability in exchanging currencies, including requirement for supporting documentation, use of electronic funds transfers and approval processes for cash forecasts. All World Bank financed projects in Myanmar are prohibited from exchanging currencies outside of the licensed commercial banks, reducing the risk of theft and fraud as well. In Financial Management assessments of the MCSP activities, the task team has been vigilant in addressing any potential illicit foreign currency activities, and this will continue to be a practice under the MCSP-AF.

B. Technical

41. **The proposed project interventions have been implemented in Myanmar for many years by the WFP and ICRC, and the design of the MCSP-AF will remain the same as under the MCSP.** The technical designs of the cash and in-kind assistance, nutrition support, livelihoods support, and basic services build upon WFP and ICRC experiences in similar contexts with the same types of target beneficiary groups and in similar and challenging geographic areas. Lessons learned from these activities, as well as design adjustments in response to conflict and the operating environment, were identified and incorporated into the design of the MCSP. The scope and the geographic coverage of the project is consistent with the size of financing and the cost estimates derived from the experience of the previous operations (building on the unit costs with projected price inflation). The MCSP has shown that the technical design and implementation arrangements work well, and these will continue to be used for the MCSP-AF.
42. **The MCSP-AF is aligned with the goals of the Paris Agreement on both mitigation and adaptation.**

¹⁹ World Bank June 2023 Myanmar Economic Monitor. The analysis also revealed a strong passthrough from exchange rate changes to inflation in Myanmar with a one percentage point shock to the exchange rate estimated to increase inflation on average by 0.50 percentage points over the next one to two quarters.



- a. **Assessment and reduction of mitigation risks:** Activities, such as provision of emergency food assistance (component 1), nutrition interventions (component 2), livelihood support through cash transfers and cash-for-work wage transfers (component 3), and rehabilitation and reconstruction of community infrastructure to ensure access to basic services in IDP re-settlement areas, that are temporary and timebound (component 4) are considered universally aligned. Any infrastructure that is not considered temporary is expected to have low risk on mitigation given the aim to enhance access to basic services that need to be urgently deployed, where the level of access is currently low, and alternatives are lacking. Thus, the MCSP-AF is aligned on mitigation.
- b. **Assessment and reduction of adaptation risks:** Myanmar is vulnerable to climate change due to its exposure to hazards, such as floods and cyclones²⁰. However, given the urgent context of this AF and its aim to respond to immediate food security and basic services needs within a short timeframe of implementation, the inherent level of risk from climate hazard is considered to be moderate. In particular, the community infrastructure supported under the proposed AF may be at risks from climate hazards. As part of post-disaster recovery and reconstruction, the AF will consider applicable risks and incorporate climate resilient measures that are most appropriate in this context to the extent possible. Further, the AF seeks to reduce the vulnerability of households to shocks, including climate-related events, through the other components. Thus, the residual risks are considered acceptable, and the proposed AF is aligned on adaptation.

C. Financial Management

43. **Both WFP and ICRC maintain financial management arrangements that are well aligned with the World Bank's requirements under World Bank Policy and World Bank Directive on Investment Project Financing and provide reasonable fiduciary assurance to the World Bank regarding the use of project resources.** The Project Operations Manuals for WFP and ICRC are consistent with the World Bank's requirements as agreed under the respective institutional framework agreements with the World Bank. WFP will apply the UN Single Audit Principle. ICRC will follow its internal and external auditing procedures laid down in the Financial Regulations, Rules, and directives of ICRC. The Report of the external auditor on the annual financial statements of ICRC will be publicly disclosed on the ICRC's website.
44. **Funds Flow.** Both WFP and ICRC will receive and manage the funds from the Bank through their pooled designated accounts in USD that are already opened under the parent project and will be managed by WFP headquarters in Rome and by ICRC in Geneva. Funds advanced to each pooled designated accounts will be based on six-month cash forecasts prepared by WFP and ICRC and approved by the World Bank.
45. **The project's funds will be transferred in USD from the Head offices of WFP and ICRC to their respective pooled Operating Accounts in local commercial banks in Myanmar.** Funds receipts in USD will be converted into MMK using the exchange rates set by the Central Bank of Myanmar at the time of currency conversion. Currency conversion will be allowed at the local commercial banks where the pooled accounts are established. WFP and ICRC country offices/delegations will authorize the maximum amount needed for exchanging to MMK in compliance with their organizations' financial regulations. All

²⁰ Myanmar Climate Change Strategy (2018-2030). 2019.



the documentation related to the foreign currency conversions will be kept in file for verification and inspection purposes.

46. **A work plan and budget will be prepared by WFP and ICRC separately and shared with the Bank for review prior to the start of AF implementation.** Any changes to the annual budget will require approval from the World Bank prior to reallocating funds between project components. The project will provide for retroactive financing of up to 20 percent of the project cost for eligible expenses incurred no more than 12 months prior to the signing of the AF Grant Agreement. The eligible expenditures and the date after which they can be incurred will be defined in the Financing Agreements.

D. Procurement

47. **Procurement Arrangements.** Like the parent project, the MCSP-AF will apply the procurement rules of ICRC and WFP. ICRC and WFP procedures are acceptable to the World Bank as APA under Section II of the Procurement Regulations for IPF Borrowers. The use of APA for the original project was approved by the Chief Procurement Officer on October 11, 2022, and the use of APA for AF was approved by the Chief Procurement Officer on October 10, 2023. WFP and ICRC will be responsible for ensuring that the procurement requirements of all project components and sub-components are met in accordance with the agreed procurement procedures. Due to UN institutional and policy constraints, WFP is unable to accept the application of the Bank's ACGs. A waiver of the application of the ACGs by WFP for the MCSP-AF was approved on October 30, 2023, as was done for the parent MCSP.²¹
48. **Project Procurement Strategy for Development (PPSD).** Both WFP and ICRC have prepared a simple PPSD that assessed the operational context and market analysis for procurement activities under the project. The respective PPSD's articulate the potential procurement risks and proposed mitigation measures and specify the risk owner of the procurement aspects. The scope, risks and implementation arrangement are the same under MCSP and MCSP-AF.
49. **Procurement Plan.** ICRC and WFP have prepared initial Procurement Plans for the MCSP-AF, which are valued US\$2.06 million for ICRC and US\$2.82 million for WFP. ICRC and WFP will monitor and provide detailed information on procurement progress through quarterly progress reports. The Bank will carry out regular implementation support missions during which it will also monitor procurement progress.
50. **Procurement Staffing.** Both ICRC and WFP have sufficient and skilled procurement and logistics staff in Myanmar. ICRC has a total of 56 procurement and logistics staff (international and national staff) in-country (both in Yangon and other field offices). WFP has a total of 27 procurement and supply chain management staff (international and national) in Myanmar. All staff are well experienced in the operational context of Myanmar and in working in emergency situations.

E. Legal Operational Policies

²¹ A waiver of the application of the ACGs by WFP was approved for the MCSP by the Vice President of OPCS on January 30, 2023.



	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

F. Environmental and Social

- 51. **All E&S Standards are considered relevant except ESS9 on Financial Intermediaries. The overall E&S risk classification is *Substantial*.** The environmental and social performance rating for the parent MCSP is Satisfactory. The rating takes into account project progress made by the implementing agencies in terms of capacity building on ESF, awareness raising and stakeholder engagement activities, preparation of required site-specific E&S instruments, some progress in the implementation of environmental and social risk mitigation measures, and submission of quarterly progress reports.
- 52. **MCSP-AF impacts are expected to be small to medium in scale, as well as temporary and predictable.** There will be no changes to the E&S risk management arrangement of the ICRC and the WFP as the MCSP-AF will scale up existing project activities in the same geographical locations with no changes to the project design and implementation modalities. ICRC’s and WFP’s E&S risk management instruments under the parent MCSP – ESMF, SEP, and ESCP – have been updated and reviewed by the Bank and disclosed on the Bank’s external website on November 16, 2023. The documents were also redisclosed again on December 21, 2023 on Bank’s external website. The updated E&S instruments cover both the parent MCSP and the MCSP-AF activities. ICRC has integrated healthcare waste management procedure into its ESMF to handle waste associated with the renovation of healthcare centers. Consultations will be conducted during implementation of the project.
- 53. **The E&S risk management procedures will be implemented through sub-project selection process and implementation.** Local contractors and local and international NGOs that work in partnership with ICRC and WFP for project implementation will be required to comply with the project’s E&S risk management plans and procedures. This includes actions outlined in Environmental and Social Management Plans, Environmental Codes of Practice, and Labor Management Procedures. This requirement will be specified in contractor and partner agreements.
- 54. **The Bank will continue to provide technical and implementation support to the ICRC and WFP in the application of the updated E&S instruments.** During quarterly implementation support visits, the Bank will review monitoring reports and progress on implementation of environmental and social risk mitigation measures.
- 55. **Gender.** Prior to the coup, women in Myanmar had limited voice and decision-making power in the public sphere and at the household level. Women’s agency has been impacted by gender norms, discrimination against female leaders, and a lack of access to livelihood, credit, and paid work. Women are seen to also be bearing the brunt of households’ coping strategies, such as to reduce food consumption. This situation has only gotten worse since the coup, the expansion of violence and conflict, and with the deterioration of the economic situation and social cohesion in-country. The MCSP is showing some early positive results in terms of women’s voice and agency. A post food distribution survey conducted in October 2023 among MCSP beneficiary households shows decisions being made by



both women and men over the use of cash assistance in 54 percent of households, over the use of in-kind assistance in 83 percent of households, and over the use of non-related WFP assistance in 55 percent of households.²²

56. **The MCSP-AF will continue to address key gender gaps by ensuring:** (a) equal representation of women in food management committees and that vulnerable women benefit equally under component 1; (b) that nutrition-vulnerable women who are key beneficiaries of this program participate actively in information sessions to enhance their nutritional knowledge under component 2 (which, based on global evidence, is expected to strengthen the voice and agency of women); (c) that women proportionately benefit from livelihoods support under component 3; and (d) that proposed community works interventions under component 4 offer the opportunity to increase women’s participation in decision-making through an effective facilitation process that will target women in the community as part of the needs assessment process and will allow them to play a key role in triangulating information on women’s priorities.
57. **Citizen Engagement/Beneficiary Feedback.** Both implementing agencies have robust citizen engagement and feedback mechanisms based on their Accountability to Affected Populations frameworks and in-country systems. WFP’s Community Engagement Mechanism receives feedback and complaints through telephone hotlines and in-person help desks. ICRC gathers information from project beneficiaries and other stakeholders through largely through a hotline mechanism complimented by several different methods and means including digital (e.g., WhatsApp, Viber, ICRC web contact form), suggestion boxes and by relaying concerns orally and in writing to religious/community leaders, IDP camp management committees and local administrators. As of the end of October 2023, WFP had received 7,606 instances of feedback or complaints in Rakhine State where the MCSP is implemented. Of these, the majority (44 percent) were requests for assistance, and 33 percent were complaints. By early November, 51 percent of the third quarter’s queries were closed, while 49 percent were the subject of ongoing enquiry and response. As of the same time, ICRC had recorded 412 instances of feedback or complaints, with six complaints related to MCSP assistance, including irregular distribution of support or small damage to a community road when transporting supplies. All of these were followed up directly with concerned communities and resolved by October 2023. The MCSP-AF will maintain, and improve as needed, mechanisms and steps under the MCSP to make sure target beneficiaries are engaged in decision-making, community works and/or operations and maintenance activities of investments as much as possible, with adequate gender considerations.

V. WORLD BANK GRIEVANCE REDRESS

58. **Grievance Redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank’s independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which

²² As compared to male-only decision making in 27% of households on the use of cash assistance, 11% of households on the use of in-kind assistance, and 28% of households on non-WFP provided assistance.



provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.



VI SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

VII DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Protect Human Capital	4.50	Revised	Protect Human Capital	7.63
Improve Nutrition of Vulnerable Groups	0.80	Revised	Improve Nutrition of Vulnerable Groups	1.35
Support Sustainable Livelihoods	3.48	Revised	Support Sustainable Livelihoods	5.91
Ensure Access to Basic Services	4.42	Revised	Ensure Access to Basic Services	7.51
TOTAL	13.20			22.40



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-C0664	Effective	31-Dec-2023	31-Mar-2024	30-Sep-2024	30-Jan-2025
TF-C0665	Effective	31-Dec-2023	31-Mar-2024	30-Sep-2024	30-Jan-2025
TF-C0666	Effective	31-Dec-2023	31-Mar-2024	30-Sep-2024	30-Jan-2025

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2023	0.00	0.00
2024	17,700,000.00	17,700,000.00
2025	4,700,000.00	22,400,000.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● High	● High
Macroeconomic	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate
Fiduciary	● Substantial	● Substantial
Environment and Social	● Substantial	● Substantial
Stakeholders	● Substantial	● Substantial
Other		
Overall	● High	● High

LEGAL COVENANTS – Additional Financing to the Myanmar Community Support Project (P181413)

Sections and Description



No information available

Conditions



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: Myanmar

Additional Financing to the Myanmar Community Support Project

Project Development Objective(s)

To improve food security and livelihoods of vulnerable populations in selected areas of Myanmar

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	End Target
To improve food security and livelihoods of vulnerable populations in selected areas of Myanmar			
Percentage of households in target population with acceptable food consumption score-- WFP (Percentage)		74.00	76.00
<i>Action: This indicator has been Revised</i>			
Percentage of female-headed households in target population with acceptable food consumption score - WFP (Percentage)		75.00	76.00
<i>Action: This indicator has been Revised</i>			
Percent of households in target population relying on crisis and emergency livelihood-based coping strategies -- ICRC (Percentage)		26.00	23.00
<i>Action: This indicator has been Revised</i>			
Percent of households in target population relying on crisis and emergency livelihood-based coping strategies -- WFP		48.86	40.00



Indicator Name	PBC	Baseline	End Target
(Percentage)			
Action: This indicator has been Revised			
Number of people with strengthened food and nutrition security (Number)		0.00	304,400.00
Action: This indicator is New			
		Rationale: <i>This indicator will be added, in line with the new corporate scorecard indicators.</i>	
Number of women with strengthened food and nutrition security (Number)		0.00	257,225.00
Action: This indicator is New			

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Protect Human Capital -- WFP			
Beneficiaries supported (Number)		0.00	42,500.00
Action: This indicator has been Revised			
Female beneficiaries supported (Number)		0.00	21,250.00



Indicator Name	PBC	Baseline	End Target
<i>Action: This indicator has been Revised</i>			
Proportion of food assistance decision-making entity members (i.e., community-based committees/groups) in established settings who are women (Percentage)		48.00	50.00
<i>Action: This indicator has been Revised</i>			
Proportion of food assistance decision-making entity members (community-based committees/groups) in established settings who are women (Percentage)		48.00	50.00
<i>Action: This indicator has been Marked for Deletion</i>			
Satisfaction with support provided (Percentage)		0.00	75.00
<i>Action: This indicator has been Revised</i>			
Percentage of female-headed households satisfied with support provided (Percentage)		0.00	75.00
Improve Nutrition of Vulnerable Groups - WFP			
Beneficiaries provided specialized nutritious foods (Number)		0.00	16,900.00
<i>Action: This indicator has been Revised</i>			
Dietary diversity of women supported under component 2 (Percentage)		67.50	70.00
<i>Action: This indicator has been Revised</i>			
Support Sustainable Livelihoods - ICRC			
Beneficiaries receiving livelihood support assistance (Number)		0.00	245,500.00



Indicator Name	PBC	Baseline	End Target
<i>Action: This indicator has been Revised</i>			
Female beneficiaries receiving livelihood support assistance (Number)		0.00	122,775.00
<i>Action: This indicator has been Revised</i>			
Proportion of target households receiving cash support that are able to cover their basic needs (Percentage)		0.00	80.00
<i>Action: This indicator has been Revised</i>			
Proportion of household food from own production (Percentage)		20.00	70.00
<i>Action: This indicator has been Revised</i>			
Ensure Access to Basic Services - ICRC			
Beneficiaries with access to project supported infrastructure (Number)		0.00	204,000.00
<i>Action: This indicator has been Revised</i>			
Number of female beneficiaries with access to project supported infrastructure (Number)		0.00	102,000.00
<i>Action: This indicator has been Revised</i>			
Proportion of female beneficiaries indicating that infrastructure support/service had a positive impact on them (Percentage)		0.00	80.00
<i>Action: This indicator has been Revised</i>			



Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Percentage of households in target population with acceptable food consumption score-- WFP	Measurement based on WFP data instrument Share of people assisted by project with acceptable Food Consumption Score (FCS).	Semi-annual	Project M&E system	Assessment, HH or individual level survey	WFP
Percentage of female-headed households in target population with acceptable food consumption score - WFP	Share of female HH assisted with acceptable FCS.	Semi-annual	Project M&E system	Assessment, HH or individual level survey	WFP
Percent of households in target population relying on crisis and emergency livelihood-based coping strategies -- ICRC	Share of people assisted that have adopted emergency livelihood coping strategies in the past 30 days	Semi-annual	Project M&E system	Assessment, HH or individual level survey	WFP, ICRC
Percent of households in target population relying on crisis and emergency livelihood-based coping strategies -- WFP					
Number of people with strengthened food and nutrition security	Value for this indicator will be calculated based on a sum of the numbers of beneficiaries of Component 1, 2, and 3.	Quarterly	Quarterly progress report	Implementation Agency's MIS	ICRC and WFP
Number of women with strengthened food and nutrition security	Value for this indicator will be calculated based on a sum of the numbers of beneficiaries of Component 1, 2, and 3 who are women	Quarterly	Quarterly progress report by ICRC and WFP		ICRC and WFP



	(and including girls for Component 2).				
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Monitoring & Evaluation Plan: Intermediate Results Indicators					
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Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries supported	total number of individuals assisted by the project	Quarterly	Project M&E system	Registrations and/or secondary data sources	WFP
Female beneficiaries supported	total number of female individuals assisted by the project	Quarterly	Project M&E system	Registrations and/or secondary data sources	WFP
Proportion of food assistance decision-making entity members (i.e., community-based committees/groups) in established settings who are women	Proportion of community members who are women	Quarterly	Project M&E system	Registrations and/or secondary data sources	WFP
Proportion of food assistance decision-making entity members (community-based committees/groups) in established settings who are women	Proportion of community members who are women	Quarterly	Project M&E system	Registrations and/or secondary data sources	WFP
Satisfaction with support provided	measures percentage of households in target population either satisfied or fully satisfied with support provided	Semi-annual	Project M&E system	Assessment, HH or individual level survey	WFP
Percentage of female-headed households satisfied with support provided	percentage of female headed households either satisfied or fully satisfied with support provided	Semi-annual	Project M&E system	Assessment, HH or individual level survey	WFP



Beneficiaries provided specialized nutritious foods	total number of children between 6 months and 5 years of age, and pregnant/lactating girls and women beneficiaries to be counted	Quarterly	Project M&E system	Assessment, HH or individual level survey	WFP
Dietary diversity of women supported under component 2		Quarterly		HH or individual level survey	WFP
Beneficiaries receiving livelihood support assistance	total number of individual beneficiaries receiving either multi-purpose grants or agriculture inputs	Quarterly	Project M&E system	Registrations and/or secondary data sources	ICRC
Female beneficiaries receiving livelihood support assistance	total number of female individuals receiving either multi-purpose grants or agriculture inputs	Quarterly	Project M&E system	Registrations and/or secondary data sources	ICRC
Proportion of target households receiving cash support that are able to cover their basic needs	Proportion of target households who feel that they are able to cover their basic needs	Semi-annual	Project M&E system	Assessment, HH or individual level survey	ICRC
Proportion of household food from own production	Proportion of consumption from own sources/ production (relative to total consumption)	Semi-annual	Project M&E system	Assessment, HH or individual level survey	ICRC
Beneficiaries with access to project supported infrastructure	Number of individuals improving access to essential infrastructure	Quarterly	Project M&E system	Registrations and/or secondary data sources	ICRC
Number of female beneficiaries with access to project supported infrastructure	Number of female beneficiaries with improve access to essential emergency community infrastructure	Quarterly	Project M&E system	Registrations and/or secondary data sources	ICRC



Proportion of female beneficiaries indicating that infrastructure support/service had a positive impact on them	Proportion of female beneficiaries who say that project infrastructure support had a positive impact	Annual	Project M&E system	Assessment, HH or individual level survey	ICRC
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