

## **SUMMARY OF PROJECT ACTIVITIES IN CONFLICT-AFFECTED AREAS: KAYIN, MON, AND RAKHINE STATES**

1. The proposed project has electricity distribution components in three conflict-affected areas, namely Kayin, Mon, and Rakhine states. All three states are home to various ethnic groups. Poverty incidence is generally higher in such areas. For instance, Rakhine state stands out as one of the poorest in the country with a poverty rate as high as 78%<sup>1</sup> while the electricity access rate is among the lowest at only 13%.<sup>2</sup> Poverty has been exacerbated further due to recent conflicts and violence. Likewise, poverty incidence in Kayin and Mon states, respectively stands at 41% and 53% (footnote 1), while electricity access rates are 16% and 38% (footnote 2).

2. **Application of Conflict Sensitivity Approach:** Given the diversity of ethnic groups in all the conflict-affected areas, ADB has exercised its conflict sensitive approach in each subproject. Full due diligence including site assessments, meeting with regional authorities, consulting with project affected and project benefiting villagers, and meeting with local civil society organizations. ADB's conflict-sensitive approach seeks to ensure that ADB assistance (i) will not exacerbate ongoing conflicts; (ii) contributes to Myanmar's inclusive development, ensuring equitable benefit to all communities, and (iii) will not be disrupted by local conflicts. To achieve this, ADB project design includes measures to ensure that project-affected people of all ethnic groups are properly informed about the project; involved in project decision making, particularly with respect to compensation for adverse impacts; and have equal opportunity to participate in and obtain project benefits. Such measures include a stakeholder communication strategy and implementation plan, resettlement and ethnic development plans, and proper implementation and monitoring of these plans,<sup>3</sup> articulated in the project administration manual.<sup>4</sup> These will be carried forward during project implementation.

3. In all project areas, the government's approach is to ensure that all communities will have equal opportunities to benefit from the electrification without any bias or preference. The electrification from these subprojects will contribute to enhanced economic opportunities in the villages, townships and the state. This, along with the application of ADB's conflict-sensitive approach, will contribute to building peace.

4. Consultation with villagers from different ethnic groups revealed that they are desperate for electricity. They pointed out the value of electricity for their daily life, including using electricity for pumping water, for lighting for children to study at night, for refrigerating and keeping foods, for televisions and mobile phones, and for functioning of schools and villages clinics and hospitals. Electricity is also important for income generating activities such as operations of micro-, small- and medium-enterprises, and tourism-related businesses.

5. **Kayin State:** The project will build nine subprojects with an estimated cost of \$22.4 million. These subprojects will provide grid electricity to more than 27,000 households in 205 villages. The project will also provide electricity access to 137 public facilities such as clinics, libraries, and schools in those villages.

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<sup>1</sup> ADB. 2017. *Socio-economic and Poverty Assessment—Distribution Component*. Consultant's report. Manila (TA 9179-MYA).

<sup>2</sup> 2017 data from Electricity Supply Enterprise, Ministry of Electricity and Energy, Government of Myanmar.

<sup>3</sup> Resettlement and Ethnic Groups Development Plan: Transmission, and Resettlement and Ethnic Groups Development Plan: Distribution (available from the list of linked documents in Appendix 2 of the report and recommendation of the President).

<sup>4</sup> Project administration manual (available from the list of linked documents in Appendix 2 of the report and recommendation of the President).

6. **Mon State:** The project will build six subprojects with an estimated cost of \$12.2 million. The subprojects will provide grid electricity to more than 42,000 households in 122 villages and electrify 126 public facilities such as clinics, libraries, and schools in those villages.

7. **Rakhine State:** The project will build nine distribution subprojects in central and southern Rakhine at a total cost of approximately \$20.0 million. There are four subprojects in central Rakhine in Kyaw Taw, Mrauk U, Myinpya, and Ponnagyun, townships; and five subprojects in southern Rakhine in Gwa, Ramree, and Thandwe townships. These subprojects will provide grid electricity to 265 villages and more than 36,000 households. They will also bring electricity to 272 schools, 72 hospitals, and 33 libraries in these villages.