

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

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|-----------------------------|--------------|-----------------------|---|
| Country:                    | Myanmar      | Project Title:        | Yangon City Water Resilience Project                              |
| Lending/Financing Modality: | Project Loan | Department/ Division: | Southeast Asia Department<br>Urban Development and Water Division |

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| <b>I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY</b>   |
| Poverty targeting: general intervention  |
| <b>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</b>   |
| <p>The Myanmar Sustainable Development Plan (MSDP) is a long-term vision for 2018–2030 toward achieving a peaceful, prosperous, and democratic Myanmar. The MSDP is firmly aligned with the Sustainable Development Goals; the 12 Point Economic Policy of the Union of Myanmar; and various regional commitments that Myanmar has made, for example as part of the Greater Mekong Subregion Strategic Framework and the Association of Southeast Asian Nations (ASEAN) Economic Community. Under Strategy 5.3 of the MSDP, Myanmar is committed to enhancing investments in conservation and in water-related infrastructure to enable safe and equitable access to water and sanitation. Under the strategy, inventories will be developed, existing national and subnational water supply services will be repaired or upgraded, and plans will be prepared to develop new water supply services. Actions under the strategy also include enabling greater knowledge, attitude, and practice of safe hygiene at household and community levels. Poverty reduction is to be achieved through inclusive and transformational economic growth. The project contributes to the MSDP’s poverty reduction efforts through Strategy 5 and the promotion of sustainable urban services. The Asian Development Bank (ADB) country partnership strategy for Myanmar, 2017–2021<sup>1</sup> highlights support to the government in laying the foundations for sustainable and inclusive economic development, with infrastructure (energy, transport, and urban development) remaining the mainstay of ADB operations. Therefore, the project aligns with ADB’s country partnership strategy.</p>   |
| <b>B. Results from the Poverty and Social Analysis during PPTA</b>   |
| <p>1. <b>Key poverty and social issues.</b> Myanmar, with a population of about 54.05 million in 2019, is ranked 148th of 189 countries on the Human Development Index<sup>2</sup>. Life expectancy is 69.1 years for females and 65.6 years for males. Income per capita in 2017 was \$1,257, lower than in neighboring Lao People’s Democratic Republic, the People’s Republic of China, Thailand, and Viet Nam. The proportion of people living below the national poverty line declined from 48.2% in 2005 to 24.8% in 2017. The national poverty line in 2017 was defined as MK1,590 per adult equivalent per day<sup>3</sup>. Safe urban water of sufficient quantity contributes to the well-being and economic opportunities of the urban poor. The Yangon City Water Resilience Project will indirectly result in improved quality of life, urban resilience, economic growth, and health and well-being for the residents of Yangon City by improving the water supply in accordance with the United Nations Sustainable Development Goal 6 of universal access to safe and affordable drinking water and sanitation by 2030. The project will strengthen resilience by supplying a total of 818 million liters per day (MLD) to Yangon City’s water supply system from Ngamoeyeik reservoir, contributing to development and poverty reduction by increasing the volume of water available to households in Yangon City.</p> <p>2. <b>Beneficiaries.</b> The 34-kilometer water pipeline corridor from Ngamoeyeik reservoir to Nhaungnapin water treatment plant will indirectly benefit the 800,000 water end users in the service area of the Yangon City Development Committee (YCDC) by improving the water supply infrastructure and its management. The socioeconomic household survey found that of the 768 households in the project service area, 23% were headed by women and 77% by men. It also indicated that 35% households report incomes of MK300,001–MK500,000, while an additional 26% report incomes below MK300,000—near or below the poverty line—based on an average household size of 4.7 people. Most of the urban poor work in the informal sector because of limited access to regular, well-paid wage employment. The very low incomes provided by casual labor, petty trading, and factory work force many people to rely on high-interest loans for survival. This in turn leads to high levels of debt that result in negative health outcomes and in children being taken out of school in order to work. Steeply rising living costs, including food prices, together with higher rents, compound these difficulties, pushing poor populations from central to peripheral areas where access to basic services is limited.</p> <p>3. <b>Impact channels.</b> The direct impact channel is improved urban environment and quality of life for Yangon City residents through the improvement in water supply contributing to the urban resilience and livability of the city.</p> |

<sup>1</sup> ADB. 2017. *Country Partnership Strategy: Myanmar, 2017–2021—Building the Foundations for Inclusive Growth*. Manila.

<sup>2</sup> United Nations Development Programme. 2018. *Human Development Indicators Update*. Washington, DC.

<sup>3</sup> Myanmar Statistical Agency, United Nations Development Programme, and World Bank. 2019. *Myanmar Living Conditions Survey 2017–Poverty Report*. Nay Pyi Taw.



Construction of the intake and pumping station will not require additional land acquisition as it will be done within the existing premises. The pipeline will be constructed within the existing right-of-way (ROW) belonging to the YCDC and the Ministry of Construction. However, the ROW is occupied by several residential houses, small shops, business structures, and structures of residential and commercial use that will be affected and will require compensation, rehabilitation, and relocation. The impact on involuntary resettlement is significant. Cultural and religious properties will also be affected, and there will be loss of trees along the ROW.

2. **Strategy to address the impacts.** An inventory of losses was conducted and a socioeconomic survey was carried out for the affected households during the feasibility study. Consultations with various stakeholders including affected people have been conducted. Based on the surveys and consultations, a draft resettlement plan has been prepared, which will be updated during the preparation of the detailed design. The draft resettlement plan has been prepared in accordance with country's laws and regulations and in compliance with ADB's Safeguard Policy Statement, 2009. The resettlement plan contains provision for eligibilities for affected persons and their entitlement to various losses in terms of compensation, assistance, resettlement, rehabilitation, and relocation.

3. Plan or other Actions.

Resettlement plan

**B. Indigenous Peoples**

Safeguard Category:  A  B  C  FI

3. Plan or other actions.

No action

## V. ADDRESSING OTHER SOCIAL RISKS

### A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).

L Unemployment, L Underemployment, L Retrenchment, M Core labor standards

2. **Labor market impact.** Short-term employment will be available to local residents during the construction of the project infrastructure. Contractors will be encouraged to hire local laborers. Clauses on core labor standards will be included in the contractor's contracts.

### B. Affordability

Survey findings indicate affordability issues associated with poverty and water costs in Yangon. The project will draw on customer satisfaction surveys on options to help poor and vulnerable households access project benefits.

### C. Communicable Diseases and Other Social Risks

1. The impact of the following risks is rated as high (H), medium (M), low (L), or not applicable (NA):

L Communicable diseases (HIV/AIDS), L Human trafficking

2. Risks to people in project area.

HIV/AIDS mitigation measures are in place through other projects, initiatives, and national strategies. The civil works will be performed by local companies and therefore the project is unlikely to contribute to human trafficking.

## VI. MONITORING AND EVALUATION

1. **Targets and indicators.** Performance targets and indicators addressing poverty reduction and inclusive social development in the design and monitoring framework include an increase in the quantity of water sourced from the Ngamoeyeik reservoir available to Yangon City. Customer satisfaction will be measured annually through the YCDC's capacity building in satisfaction surveys and customer service. The current level of satisfaction is 44%, as indicated by the household survey. The project will provide capacity building to staff of the YCDC, 30% of whom are to be women.

2. **Required human resources.** A national social and gender development specialist will provide gender awareness-raising expertise, conduct a gender-sensitive consumer survey with gender-specific messaging, provide inputs to staff capacity development training, and implement and monitor gender and social dimensions of the project.

3. **Information in the project administration manual.** To monitor the project's progress in achieving the planned outcome and outputs, the project management unit (PMU) will establish and maintain a project performance management system (PPMS), which will be designed to permit adequate flexibility to adopt remedial actions regarding project design, schedules, activities, and development impacts.

4. **Monitoring tools.** Monitoring will be the responsibility of the YCDC. The YCDC will monitor the resettlement plan internally and externally. At project inception, the PMU will develop comprehensive PPMS procedures to generate gender-disaggregated data on the inputs and outputs of the project activities; and the socioeconomic, health, and environmental indicators to measure project impacts. The PPMS will include monitoring tools, reporting templates, and output indicators. The PMU will submit semiannual reports to the Yangon Region Government and ADB using these tools, templates, and indicators. The PMU will be responsible for monitoring of the gender, pro-poor, and social inclusion design measures indicated in this report, the participation plan, and the SCS.