



THE ASIAN DEVELOPMENT BANK IN MYANMAR

SUPPORT FOR KAYIN STATE & MON STATE



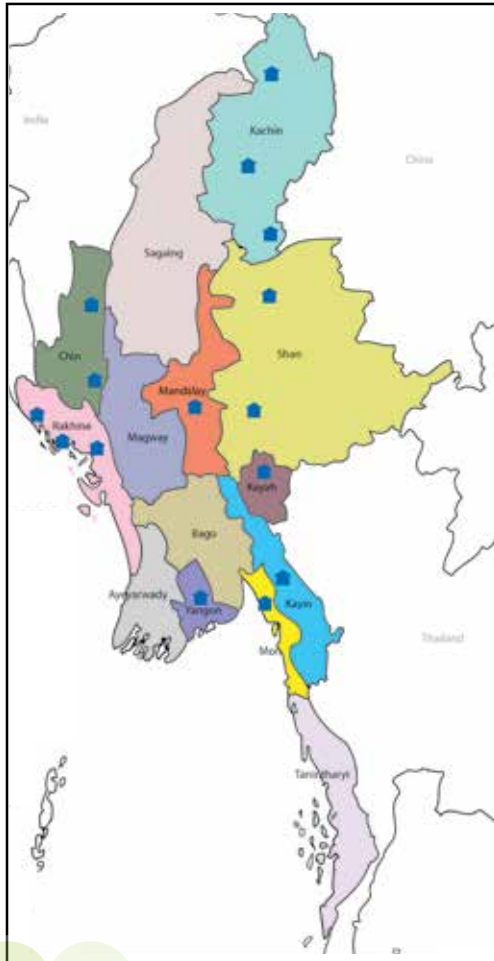
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I. ABOUT KAYIN & MON STATES



A Shared History

Both Kayin and Mon states also have a shared history of conflict. Kayin State in particular has suffered from decades of conflict that led to large-scale population displacement and long-term tensions. A 1995 ceasefire between the government and New Mon State Party (NMSP) brought greater economic stability to Mon State. In 2011 the Democratic Karen Benevolent Army (DKBA) signed a bilateral ceasefire with the government, followed by a 2012 ceasefire agreement between the Karen National Union (KNU) and the government. Despite these bilateral agreements between the government and 16 armed anti-state groups, skirmishes between different armed groups still continue, and non-state actors still exert control in many areas of both Kayin and Mon states.

The legacy of conflict and isolation in Kayin and Mon states has left social services and many other sectors underdeveloped, with social services in some areas assumed by non-state actors. Antiquated infrastructure has further limited livelihood opportunities, social service access, and general economic development.

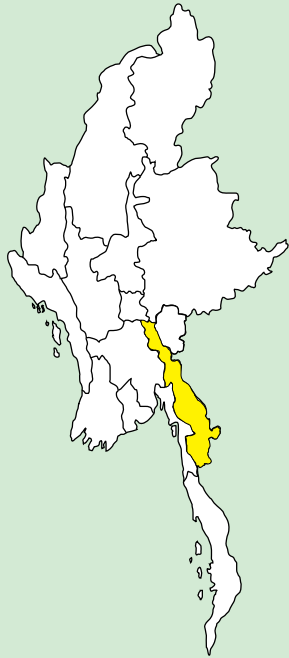


Kayin State, on Myanmar's rugged southeastern border with Thailand, and Mon State, extending down southeast Myanmar's coast along the Andaman Sea, both lie along the economic corridor between central Myanmar and Thailand. Both states have rich histories, cultures, and enormous economic potential.

Kayin State is primarily populated by various Karen peoples, including Sgaw, Pwo, Bwe and Paku, as well as other ethnic nationality groups including Mon, Pa-O and Bamar. Families in Kayin have traditionally relied on rice production and animal husbandry. Other major crops include rubber, sugarcane, sesame and coffee, and the state is rich in natural resources. The capital city of Hpa-An became an industrial zone in 2012.

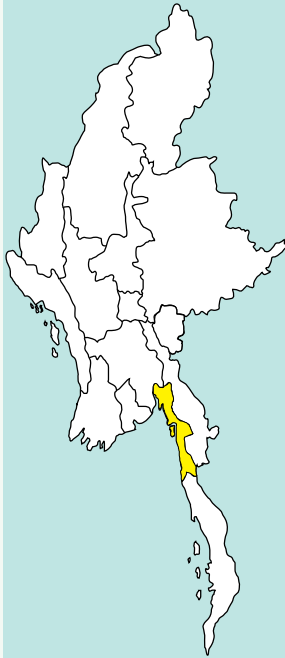
Mon State is ethnically diverse, with a large Mon population, but also sizeable Bamar, Kayin and other groups. Mon State has over three million acres of cultivatable land, mostly dedicated to rice production, and its capital city of Mawlamyine is a major trading hub for the area.

Kayin & Mon at a Glance



Kayin State

Land area (km ²)	30,383
Capital	Hpa-an
Districts	4
Townships	7
Wards and villages tracts	458
Villages	4092
Population 2014	1,574,079
Male	775,268
Female	798,811
Urban population	22%
Average household size	4.7
Major tourist destinations	Bayin Nyi Cave, Kawgoon Cave, Myawadi border, Sadan Cave, Mount Zwe Kabin
Ethnicities	Karen, Bamar, Mon, Pa-O, Shan



Mon State

Land area (km ²)	12,297
Capital	Mawlamyine
Districts	2
Townships	10
Wards and villages tracts	463
Villages	1182
Population 2014	2,050,282
Male	987,392
Female	1,067,001
Urban population	28%
Average household size	4.6
Major tourist destinations	Kyaik Than Lan Pagoda, Kyaik Kami Pagoda, Setse Beach, Than Byu Zayat, Golden Rock Pagoda
Ethnicities	Mon, Bamar, Chin, Kachin, Karen, Pa-O, Rakhine, Shan

II.

KAYIN AND MON STATES:

The last remaining link in the Greater Mekong Subregion East-West Economic Corridor



When the Greater Mekong Subregion (GMS) was formed in 1992, the six nations sharing the Mekong River – Cambodia, Lao PDR, Myanmar, People’s Republic of China, Thailand, and Viet Nam – were just emerging from decades of slow economic growth and conflict. They joined together around a shared vision of a more prosperous future, fueled by stronger links between nations to facilitate cross-border travel, trade, and economic growth. One key pillar of the GMS program is the East-West Economic Corridor, stretching from Danang, Viet Nam to the Andaman Sea in Myanmar. The Asian Development Bank (ADB) is supporting a project to revitalize the East-West Economic Corridor in Myanmar, helping catalyze economic growth in this region, and providing a vital lifeline to provide rural communities with greater access to jobs, markets and essential social services. To ensure the new road brings benefits to people living along the corridor, ADB is developing a number of linked projects to enhance urban services, promote rural livelihoods, support microenterprise development and job creation, and prevent communicable diseases like HIV/AIDS. The development potential of Kayin and Mon states is enormous, provided development is done right.

III.

ADB'S WORK IN KAYIN & MON:

A conflict-sensitive approach

ADB is aware of the complexities of development work in this region of Myanmar, particularly given the legacy of conflict, and is keenly aware of the need to gain a better understanding of these complexities in order to be able to deliver meaningful and lasting development for communities. ADB is committed to a “conflict sensitive” approach to all its operations, and is ensuring that projects are recognized as beneficial by a full range of stakeholders, including local communities, the government, ethnic organizations, and civil society. ADB is firmly committed to robust social and environmental safeguards on every project it supports. To enhance engagement with communities and civil society organizations, ADB is conducting broad-based civil society consultations in Kayin and Mon States, and with external stakeholders, in order to share information about proposed projects and get feedback on project design and implementation. ADB will also consult with Kayin and Mon stakeholders in developing future support for national-level reforms and programs, expected to span areas ranging from legal and policy reforms, to the strengthening of secondary education and technical and vocational education and training. ADB will work with other development partners that have extensive experience in this region of Myanmar.



IV.

ADB PROPOSED PROJECT: GMS East-West Economic Corridor Eindu-Kawkareik Road Improvement

Since resuming operations in Myanmar in 2013, ADB has been laying the groundwork for the completion of the 70 kilometer segment of the GMS East-West Economic Corridor: the road from Kawkareik to Eindu in Kayin State. After years of isolation, Kayin State suffers from a lack of good quality transport connections to other parts of Myanmar, and neighboring countries. This has constrained economic growth and development, and restricted access to social opportunities and services. Improvements on the ADB-financed section of the road, along with upgrades on other portions of the highway to Thailand will greatly reduce travel times from Hpa-an to the Thai border at Maesot enhancing prospects for better jobs through expanding cross-border trade and investment. The enhanced road will also improve safety and connectivity for communities all along the corridor, national connectivity between Kayin and Mon States and the economic hub of Yangon, and regional connectivity between Myanmar, Thailand, and the GMS.



V.

ADB PROPOSED PROJECT:

Enhancing Rural Livelihoods and Incomes

ADB is also preparing a project to provide enhanced livelihood opportunities along the economic corridor. The project will utilize community-driven development and conflict sensitive approaches to implement rural infrastructure activities that reflect local needs and aspirations. Extensive consultations will be conducted, and communities will be actively engaged in projects, thereby maximizing the benefits of transportation improvements and economic corridor development.



VI.

ADB PROPOSED PROJECT:

GMS Corridor Town Development Project

To allow communities to reap the full benefits of road improvements, ADB is preparing a project to enhance the development potential of three potential economic growth centers along the economic corridor – Mawlamyine, Hpa-An, and Myawaddy. The project will improve urban services through investments in priority urban infrastructure, including piped water supply systems for homes and communities, improved urban drainage and flood protection, and expanded household sanitation systems. The project will also support better garbage collection and solid waste management, improved urban wastewater management, and improved border gate and logistics facilities to enhance trade.





VII.

ADB PROJECT:

Capacity Building for HIV/AIDS Prevention and Management

Along with a range of benefits, greater mobility and connectivity may increase the risk of HIV/AIDS transmission, especially in countries such as Myanmar where there has been underinvestment in health services for many years. ADB builds HIV/AIDS mitigation into all of its road projects, and is supporting an HIV/AIDS prevention project in four townships along the East-West Economic Corridor: Mawlamyine, Kawkareik, Hpa-an and Myawaddy. The project is also aiming to enhance service delivery in 739 villages, with enhanced community-level outreach, strengthened management capacity for health staff, the construction of new rural health and sub-health centers, refurbished township hospitals, and provision of essential medical equipment and training. This Japan Fund for Poverty Reduction-funded project will support innovative partnerships between the Government and non-government organizations in order to develop and deliver better health services for underserved populations. ADB is working in coordination with UN-AIDS, and supporting early-stage surveillance work being carried out by the International Organization for Migration.



VIII. ADB PROPOSED PROJECT:

Economic Empowerment of the Poor and Women in the East West Economic Corridor

Cross-border trade and tourism will be drivers of growth in Kayin and Mon states. To ensure local communities can take advantage of these opportunities, ADB is proposing a project that will help create good jobs, and support poor households in securing better livelihoods through the production and sale of high-quality local crafts and processed foods. The project will provide local producers and entrepreneurs – 75 percent of whom will be women – with technical support and guidance to enter this promising market, to access microfinance and business services, to upgrade local processing facilities, and to strengthen commercial networks between local producers and retailers in major urban markets.

CONTACTS

For additional information, please contact one of the Co-Chairs of the ADB Karen-Mon Working Group:

- Mr. Peter Brimble, Deputy Country Director, Myanmar Resident Mission
– pbrimble@adb.org
- Mr. James Leather, Principal Transport Specialist
– jleather@adb.org

For specific information on ADB projects, go to the ADB website at www.adb.org, or contact the responsible ADB project staff:

ADB PROPOSED PROJECT: East-West Economic Corridor Eindu - Kawkareik Road Improvement

Assistance Type	:	Asian Development Fund/ ASEAN Infrastructure Fund Loan
Indicative Loan Amount	:	\$120 million
Executing Agency	:	Ministry of Construction
Timeline	:	2015 – 2021
Contact	:	Mr. James Leather, Principal Transport Specialist – jleather@adb.org

ADB PROPOSED PROJECT: Enhancing Rural Livelihoods and Incomes

Assistance Type	:	Investment Grant
Indicative Grant Amount	:	\$12 million
Executing Agency	:	Ministry of Livestock, Fisheries and Rural Development
Timeline	:	2016– 2018
Contact	:	Mr. Peter Brimble, Deputy Country Director- pbrimble@adb.org

ADB PROPOSED PROJECT: GMS Corridor Town Development Project

Assistance Type : Asian Development Fund Loan
Indicative Loan Amount : \$80 million
Executing Agency : Ministry of Construction
Timeline : 2017 – 2021
Contact : Ms. Eri Honda, Principal Urban Development Specialist – ehonda@adb.org

ADB PROJECT: GMS Capacity Building for HIV/AIDS Prevention and Management

Assistance Type : Japan Fund for Poverty Reduction Investment Grant
Grant Amount : \$10 million
Executing Agency : Ministry of Health
Timeline : 2014 – 2017
Contact : Ms. Elaine Thomas, Social Development Specialist – ethomas@adb.org

ADB PROPOSED PROJECT: Economic Empowerment of the Poor and Women in the East West Economic Corridor

Assistance Type : Investment Grant
Indicative Grant Amount : \$3 million
Executing Agency : Ministry of Hotels and Tourism
Timeline : 2015 - 2017
Contact : Mr. Peter Brimble, Deputy Country Director – pbrimble@adb.org

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