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Republic of the Union of Myanmar

Country strategic opportunities programme

Note to Executive Board representatives

Focal points:

Technical questions:

Omer Zafar
Country Programme Manager
Tel.: +39 06 5459 2348
e-mail: o.zafar@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Head, Governing Bodies Office
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

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Contents

Abbreviations and acronyms	ii
Map of the programme area	iii
Summary of country strategy	iv
I. Introduction	1
II. Country context	1
A. Economic, agricultural and rural poverty context	1
B. Policy, strategy and institutional context	3
III. Lessons from IFAD's experience in the country	3
A. Past results, impact and performance	3
B. Lessons learned	3
IV. IFAD country strategic framework	4
A. IFAD's comparative advantage at the country level	4
B. Strategic objectives	4
C. Opportunities for innovation	5
D. Targeting strategy	5
E. Policy linkages	6
V. Programme management	6
A. COSOP monitoring	6
B. Country programme management	6
C. Partnerships	7
D. Knowledge management and communication	7
E. PBAS financing framework	8
F. Risks and risk management	9

Appendices

- I. COSOP consultation process
- II. Country economic background
- III. COSOP results management framework
- IV. Project pipeline

Key files

- Key file 1: Rural poverty and agricultural/rural sector issues
- Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)
- Key file 3: Complementary donor initiative/partnership potential
- Key file 4: Target group identification, priority issues and potential response

Abbreviations and acronyms

COSOP	country strategic opportunities programme
FARM	Fostering Agricultural Revitalization in Myanmar
FESR	Framework for Economic and Social Reform
MOAI	Ministry of Agriculture and Irrigation
MOLFRD	Ministry of Livestock, Fisheries and Rural Development
NCDP	National Comprehensive Development Plan
PARDAP	Poverty Alleviation and Rural Development Action Plan
PBAS	performance-based allocation system
SO	strategic objective

Map of the programme area

Republic of the Union of Myanmar



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 10-02-2014

Summary of country strategy

1. Myanmar is the largest country in South-East Asia, with rich endowments of land and water, and favourable climates for agriculture. The agriculture sector constitutes the backbone of the economy, and two thirds of the population live in rural areas. The levels of poverty in rural areas are significantly higher than in urban areas, and among smallholders, the landless and ethnic groups. While the country produces a surplus of food, many rural areas suffer from chronic and acute food insecurity.
2. This country strategic opportunities programme (COSOP) will contribute to inclusive rural economic growth and poverty reduction in Myanmar by supporting the Government's initiatives in food security and income security for poor rural women and men. The IFAD country programme will operate in partnership and synergy with bilateral and multilateral development institutions, NGOs, the private sector and other stakeholders. IFAD will contribute to the United Nations Strategic Framework for Myanmar and will actively complement other rural development efforts.
3. The overarching goal of the COSOP is to contribute to reducing poverty among poor rural women and men, particularly smallholders, the landless, ethnic groups and other marginalized groups. The COSOP defines three strategic objectives (SOs) for IFAD's engagement in Myanmar over the period 2014-2018. SO1 is to empower rural women and men to access agricultural resources, technologies, services and markets. SO2 is to create business and employment opportunities for rural women and men. SO3 is to promote the social and economic empowerment of marginalized groups, particularly ethnic groups.
4. A number of cross-cutting themes and instruments will be mainstreamed across country programme operations, including capacity-building, gender equality, nutrition improvement, climate change adaptation and mitigation, promotion of good governance, and natural resource management.
5. In line with IFAD's targeting policy, investments will focus on poor and food-insecure rural women and men who are able to take advantage of economic and social opportunities. Initial IFAD-funded operations will target: (i) selected areas of the central dry zone, which has a large population of poor rural women and men who are vulnerable to climate change, and which is a priority area for national poverty reduction and rural development plans; and (ii) selected areas of states with high concentrations of ethnic groups where peace has been achieved and where opportunities for sustained agricultural development exist.
6. The first proposed IFAD loan to Myanmar will finance the Fostering Agricultural Revitalization in Myanmar (FARM) project, which covers parts of the central dry zone. It is being submitted to the Executive Board in April 2014 for approval. Key elements of FARM design are already being scaled up by important partners. The World Bank plans to invest US\$100 million in October 2014 in three locations of the central dry zone (Bago, Mandalay and Sagaing) by scaling up relevant FARM investments, particularly in the areas of irrigation management and advisory services. IFAD and the World Bank are carefully coordinating their respective investments, and the World Bank is considering utilizing the project management arrangements being set up under FARM. Second, the Livelihoods and Food Security Trust Fund, a large multi-donor trust fund, is considering scaling up the approach and relevant activities of FARM for its new programme under design for the central dry zone.
7. IFAD's policy engagement with the Government and partners will focus on channelling its operational experiences in poverty reduction to the appropriate policy and strategy discussions. These experiences provide unique opportunities to identify policy gaps and formulate policy recommendations on issues affecting the rural poor.

Republic of the Union of Myanmar

Country strategic opportunities programme

I. Introduction

1. Although Myanmar joined IFAD in 1990, IFAD has not yet provided any loans to the country. This new country strategic opportunities programme (COSOP) will be valid for the five-year period from 2014 to 2018. It was prepared through a multistakeholder consultation process co-led by the Government of Myanmar and IFAD. The preparation process began in 2010 and continued until mid-2011, when the COSOP was endorsed by IFAD Management. However, due to the significant changes that have occurred over the past three years (major reforms, elections, the establishment of a new government in early 2012, the lifting of many international sanctions), the COSOP was extensively updated jointly with the Government and resubmitted for IFAD Management review. The COSOP was endorsed by IFAD Management in January 2014.

II. Country context

A. Economic, agricultural and rural poverty context

Country economic background

2. Emerging from 50 years of isolation, in early 2011 Myanmar embarked on a comprehensive path of political and economic reforms that aim to introduce elements of popular representation in the political sphere, foster economic growth and inclusive social development, improve the business environment, attract foreign investment and reduce poverty.
3. Myanmar's population in 2011 was estimated at 60.6 million, with an annual growth rate of 1.3 per cent. Myanmar is a least developed country and one of the poorest nations in Asia; the 2013 Human Development Report ranks it 149th among 186 nations rated, with a Human Development Index of 0.498. In 2011, GDP amounted to over US\$55 billion, averaging US\$916 per capita, and the GDP annual growth rate was 5.5 per cent. In 2010, the agriculture sector accounted for 36 per cent of GDP, the service sector 38 per cent, and the industrial and manufacturing sector 26 per cent.

Agriculture and rural poverty

4. Myanmar is the largest country in South-East Asia, with rich endowments of land and water, and favourable climates for agriculture. The agriculture sector (including livestock and fisheries) is considered to be the backbone of the economy, and some 70 per cent of the labour force is engaged in agriculture or depends to a great extent on agriculture for income. Rice is the most important crop, accounting for about 60 per cent of the net sown area and 80 per cent of the value of sector production. The sector accounts for some 25-30 per cent of the total value of exports. Pulses are currently the key export commodity, with an export value of US\$1.4 billion, while rice, rubber and fisheries exports each generate between US\$300 million and US\$400 million per year (2010-2011).
5. Despite its potential for growth, the agriculture sector has suffered chronically from insufficient investment in research, extension, technology transfer, infrastructure development, value chain upgrading and marketing. Furthermore, farmers have not received remunerative prices for their products due to structural reasons as well as the lack of conducive policies, leading to declining rural incomes.
6. Paradoxically, for such a resource-rich country, there is a strong association between agriculture and poverty, and a stark rural-urban divide. While in aggregate terms the country produces a surplus of food, many rural areas suffer from chronic and acute food insecurity. These disparities exist among and within states, within village tracts and within villages, where household food insecurity and poverty are closely linked.

7. Reliable time-series data on poverty are not available. However, two Integrated Household Living Conditions Assessments conducted in 2004-2005 and 2009-2010 respectively indicate that the poverty headcount ratio declined from 32 per cent of the population in 2005 to 26 per cent in 2010. These aggregate statistics mask significant regional and rural/urban differences. The poorest states, such as Chin (73 per cent living below the poverty line) and Shan (52 per cent), have greater poverty and social deprivation than areas such as Yangon and Mon.
8. The incidence of poverty in rural areas (29 per cent) is significantly higher than in urban areas (15 per cent). Rural areas also lag behind in terms of health, social and educational indicators. The rural poor typically consist of the landless (from 35 to 53 per cent of the rural population depending on the area), farmers with access to small and marginal landholdings (usually less than 2 hectares each), and ethnic groups. The rural poor suffer from inadequate food, poor nutrition and lack of essential non-food items. Most of the poor live either in the central dry zone (where soils are sandy, rainfall low and population density high) or in hill tracts populated by ethnic groups, which are remote, have limited arable lands and have been affected by conflict.
9. Myanmar's 2012 Gender Inequality Index ranking is 80th out of the 186 countries. Women, and particularly rural women, are among the most marginalized groups, with high vulnerability to food insecurity and poverty. While Buddhist customary law and the 2008 Constitution provide equal rights to women and men, women are not well represented in the political and higher-level administrative sphere outside of the traditional areas of social services, health and education. At the local level (districts, townships, villages), there are few women representatives, particularly in decision-making bodies. The prevailing cultural disposition is towards a stereotypical gender division of roles, with women closely associated with domestic activities, although they are quite dominant in decision-making and often have ownership of assets. The five-year national development plans have not adequately addressed gender inequality, and there has been limited attention to the disproportionate burden of poverty and militarization that falls on women. In addition, systems for collecting gender-disaggregated data and monitoring women's welfare are poorly developed and narrowly focused on reproductive functions. Despite these problems, there has been considerable progress in recent years in mainstreaming gender, particularly in terms of institutional development, advocacy and awareness-raising.
10. Myanmar is ethnically diverse, with eight major ethnic groups, 135 subgroups and 108 different ethno-linguistic groups. The population is estimated to be 68 per cent Burman, 9 per cent Shan, 7 per cent Karen, 4 per cent Rakhine, 2 per cent Mon, and 5 per cent Kachin, Kayah and Kayin (the remainder are Chinese and Indian). Ethnic groups are among the poorest and most marginalized populations, and ethnicity is an important correlate of poverty and food insecurity. As the ancestral lands of ethnic groups typically contain valuable mineral resources, they have been exploited by outsiders, leading to conflicts. Ethnic groups suffer from physical, social and economic isolation because of difficult topography and political neglect. In areas with conflict, ethnic group households have been displaced, leading to loss of access to land and disruption of livelihoods. Kachin, Karen and Rohingya are the most significant ethnic groups of internally displaced persons in the country. However, ethnic groups are known to possess skills, resources, unique indigenous knowledge and environmentally sustainable practices that could be tapped and valued for broader development purposes.

B. Policy, strategy and institutional context

National institutional context

11. There are seven agencies responsible for agricultural and rural development, of which three have a direct bearing on the agriculture sector: (i) the Ministry of Agriculture and Irrigation (MOAI), responsible for crops, irrigation, agricultural credit and mechanization; (ii) the Ministry of Livestock, Fisheries and Rural Development (MOLFRD); and (iii) the Ministry of Environmental Conservation and Forestry, responsible for biodiversity conservation in addition to forestry and the environment. The other four ministries that operate in rural areas are the Ministry of Cooperatives, the Ministry of Home Affairs, the Ministry of Industry, and the Ministry of Progress of Border Areas and National Races and Development Affairs.

National rural poverty reduction strategy

12. Although Myanmar does not have a poverty reduction strategy per se, a series of national development plans have served that purpose in support of the first Millennium Development Goal (poverty reduction). The Government has recently started to put in place a more coherent approach to development, which includes the Poverty Alleviation and Rural Development Action Plan (PARDAP), the long-term National Comprehensive Development Plan (NCDP) and the Framework for Economic and Social Reform (FESR). The last sets a direction for the continuing reform process, articulating its broad goals and its medium-term objectives. It focuses on a policy agenda for the next three years that will provide potential "quick wins" to be implemented to deliver tangible and sustainable benefits to the population.
13. PARDAP, NCDP and FESR provide the umbrella for the agriculture sector through the National Medium Term Priority Framework 2011-2014 (NMTPF), which has seven priority outcomes. The first priority is to increase agricultural production to ensure food security, and includes measures for poverty reduction; the sixth is to improve rural livelihoods by helping communities to harness their physical, natural and human capital. Although food security was a priority in previous development plans, the inclusion of measures for poverty reduction in the NMTPF is a first within a strategic framework.

Harmonization and alignment

14. Following the recent political changes and the adoption of a number of wide-ranging political and policy reforms, many of the international sanctions against Myanmar have been lifted. Many bilateral financiers have resumed aid operations in the country. In addition, two major international financial institutions – the World Bank and the Asian Development Bank – have formulated strategies for their respective future operations in Myanmar and will commence lending now that issues of outstanding arrears have been resolved. The United Nations agencies operating in the country have formulated the United Nations Strategic Framework for Myanmar. The planned IFAD country programme is fully aligned with this framework, and IFAD is a key member of the sectoral working group on agriculture, which serves as a policy advisory and coordination mechanism at national level.

III. Lessons from IFAD's experience in the country

A. Past results, impact and performance

15. This constitutes the first IFAD COSOP for Myanmar. IFAD has not financed any loans to Myanmar to date.

B. Lessons learned

16. IFAD's planned country programme draws upon its experiences in countries with similar conditions regionally and globally, including countries in transition. It also benefits from operational experiences and lessons learned through projects financed by bilateral and multilateral partners operating in the country.

IV. IFAD country strategic framework

A. IFAD's comparative advantage at the country level

17. IFAD's Strategic Framework 2011-2015 articulates the Fund's global comparative advantage. The specific comparative advantage in Myanmar is related to IFAD's knowledge base derived from regional and global experiences in financing smallholder agriculture, rural economic growth and poverty reduction in similar social and economic environments. This knowledge base is considered to be highly relevant for Government as it seeks to apply an inclusive approach to modernizing the agriculture sector and developing rural areas.
18. In particular, IFAD can offer Myanmar a range of evidence-based methods, knowledge products and best practices that directly address Myanmar's policy objectives and sectoral strategies relevant to agriculture and rural development. First, IFAD can offer proven methods for introducing participatory approaches, empowering communities and their organizations, and strengthening them to become sustainable institutions focusing on social and economic development. Second, IFAD can provide expertise on improving the access of poor rural women and men to natural resources, productive assets, climate-resilient technologies, services and employment opportunities. Third, IFAD can share its experiences in commercial smallholder agriculture, commodity value chains and agribusiness linkages, supported by improved technologies, advisory services, financial services and productive infrastructure. Fourth, IFAD can build the managerial, technical and operational capacities of institutions dealing with agriculture and rural development to help secure effective results-based performance as well as fiduciary compliance. Finally, IFAD can work with the Government to leverage resources from a range of bilateral and multilateral partners for the cofinancing of investments and eventual scaling up of activities.

B. Strategic objectives

19. This COSOP aims to contribute to inclusive rural economic growth and poverty reduction in Myanmar by supporting the Government's initiatives in food security and income security for poor rural women and men. The IFAD country programme will invest in relevant government priority areas as set out in the PARDAP, NCDP and FESR. In view of its role as a development catalyst, the country programme will operate in partnership with bilateral and multilateral institutions, NGOs, the private sector and other stakeholders in the country. IFAD will also contribute to the United Nations Strategic Framework for Myanmar and will actively complement other rural development efforts.
20. The overarching goal of the COSOP is to contribute to reducing poverty among poor rural women and men, particularly smallholders, the landless, ethnic groups and other marginalized groups. This is in line with the Government's policy for people-centred, pro-poor and inclusive growth, and consistent with IFAD's Strategic Framework 2011-2015, which focuses on enabling the rural poor to improve their food security, nutrition, incomes and resilience.
21. This COSOP articulates three strategic objectives (SOs) for the 2014-2018 period:
 - SO1: to empower rural women and men to access agricultural resources, technologies, services and markets;
 - SO2: to create business and employment opportunities for rural women and men; and
 - SO3: to promote the social and economic empowerment of marginalized groups, particularly ethnic groups.
22. A number of key cross-cutting themes and instruments will be mainstreamed across the country programme: capacity-building of communities and their organizations; capacity-building of public institutions that provide services for agriculture and rural development; gender equality to promote equitable access of women and men to resources, economic assets, services and decision-making roles; nutrition-sensitive

activities to maximize the household-level benefits of project investments; climate change adaptation and mitigation to strengthen the capacities of communities and institutions to manage climate risk; integrated natural resource management combining social, productive and environmental dimensions; good governance focusing on participation and representation, fiduciary compliance, transparency and accountability; and scaling up of successful operational experiences, approaches and methodologies.

C. Opportunities for innovation

- 23. Due to Myanmar's past isolation, its agriculture sector has not benefited fully from global advances in agricultural technology and methods. IFAD will work with relevant government entities and development partners to introduce approaches that have proved to be successful in similar contexts but that would be innovative in the Myanmar context. Efforts will focus on agricultural modernization, value chain upgrading, agribusiness linkages, livelihoods diversification, rural enterprise promotion and non-farm employment generation.
- 24. For SO1, the innovation focus will be on: (i) participatory mechanisms to define target groups; (ii) targeted delivery of technologies and services; (iii) stress-tolerant crop varieties and other climate-smart agricultural technologies; and (iv) livelihoods diversification. For SO2, the focus will be on: (i) income-generating activities and microenterprises, particularly for the landless; (ii) adapted rural finance tools, products and services; and (iii) new approaches for public-private partnership in support of value chain development. For SO3, the focus will be on: (i) improved models of natural resource management; (ii) options for capturing indigenous knowledge of ethnic groups and blending it with modern scientific knowledge; and (iii) promotion of development with identity and culture for ethnic groups.
- 25. Country programme innovations that prove to be successful will be scaled up. The scaling-up driver will be the Ministry of National Planning and Economic Development, supported by the relevant line ministries. The successful experiences will be rigorously documented and shared with government institutions, and bilateral and multilateral partners. Learning and scaling up will be central features of the country programme, with successful activities being scaled up to other areas as new projects are designed. Securing cofinancing resources from the Government and partners will be the primary means for operating at scale.
- 26. The first proposed IFAD loan to Myanmar will finance the Fostering Agricultural Revitalization in Myanmar (FARM) project, which covers parts of the central dry zone. Key elements of FARM design are being scaled up by important partners. The World Bank plans to invest US\$100 million in October 2014 in three locations of the central dry zone (Bago, Mandalay and Sagaing) by scaling up relevant FARM investments, particularly in the areas of irrigation management and advisory services. IFAD and the World Bank are carefully coordinating their respective investments, and the World Bank is considering utilizing the project management arrangements being set up under FARM. Second, the Livelihoods and Food Security Trust Fund (a large multi-donor trust fund) is considering scaling up FARM's approach and relevant activities for its new programme in the central dry zone.

D. Targeting strategy

- 27. In line with IFAD's targeting policy, investments will focus on poor and food-insecure rural women and men who are able to take advantage of economic and social opportunities. The main target groups will consist of smallholders, landless households, woman-headed households and ethnic groups. Participatory methods will be applied to identify opportunities for improving target groups' livelihoods. This will help mitigate the risk that selection of beneficiaries could be influenced by political criteria; it will also serve to avoid exclusion of the rural poor and ensure that the most vulnerable are able to participate in and benefit from IFAD financing.
- 28. The first IFAD-financed project will target selected areas of the central dry zone, where the incidence of poverty is high and where the poor are vulnerable to climate

change due to sandy soils, low rainfall and high population density. The second IFAD-financed project is expected to target Kayin and Shan States, which have a high concentration of ethnic groups. In both of these states, peace agreements have been signed, and there are ample opportunities for agricultural development.

E. Policy linkages

29. The country programme will build policy linkages at two levels. First, IFAD-financed projects will contribute to an analysis of policy issues related to implementation experiences, fostering stakeholder alliances to capture policy proposals, building capacities for policy development, and promoting policy advocacy within national processes. Second, IFAD's direct policy engagement with the Government and partners will focus on channelling operational experiences in poverty reduction to the appropriate policy and strategy discussions. These experiences provide unique opportunities to identify policy gaps and formulate policy recommendations on issues affecting the rural poor, and generate the evidence basis that can inform policy discussions.
30. IFAD is already a key participant in the existing policy dialogue platforms set up by the Government and partners, such as the sectoral working group on agriculture. This group is helping the Government to ensure that sectoral policies and strategies are appropriate and to identify priority programmes and medium-term strategies that can be executed with partners' financial support in a coordinated manner. In this context, IFAD's participation in the sectoral working group provides opportunities to engage with the Government for broader policy reforms, jointly with partners such as the World Bank. IFAD will also become an active member of the rural finance working group, which encourages financial inclusion, while IFAD-financed operations will promote a range of relevant rural financial services, in coordination with partners.
31. IFAD is furthermore committed to building the capabilities of key government institutions, such as MOAI and MOLFRD, which are responsible for agriculture and rural poverty reduction. Two small grants, to build the capacities of the Rural Development Department of MOLFRD and several departments of MOAI respectively, have been approved in this respect.

V. Programme management

A. COSOP monitoring

32. The absence of an official poverty line, the unavailability of baseline data disaggregated by ethnicity, gender and land ownership, and the lack of systematic collection of social and economic data are constraints to monitoring country programme performance under the COSOP framework. The country programme will overcome these limitations by gathering reliable data, disaggregated by gender, ethnicity and ownership of productive assets, in target areas during project design and implementation. Poverty and vulnerability assessments will be undertaken, and similar work conducted by partners will be reviewed. These assessments will establish a baseline for monitoring future progress in terms of achieving the strategic objectives, based on the outcome indicators identified in the COSOP results management framework. Impact assessments by stakeholders, including beneficiaries, will inform project planning processes. The arrangements for monitoring the implementation of the COSOP will include: (i) developing baseline data and quantitative targets for outcomes and milestones for strategic objectives; (ii) systematically analysing data from project monitoring and evaluation systems and the Results and Impact Management System (RIMS); and (iii) analysing the findings of impact surveys undertaken during implementation.

B. Country programme management

33. COSOP management is the responsibility of the Government and IFAD. There is currently no IFAD country office in Myanmar; the country programme manager based at IFAD headquarters is responsible and accountable for the country

programme. There are plans to open an IFAD country office as the country programme grows.

34. IFAD will directly supervise and support project implementation on the basis of the IFAD Policy on Supervision and Implementation Support. With gradual expansion of the country portfolio, an annual Comprehensive Portfolio Performance Review will be introduced, involving government officials, key project personnel, the country programme team and possibly other stakeholders. These reviews will identify constraints and opportunities in the implementation of the country programme, share experiences and lessons among government initiatives and development projects, and recommend corrective actions to resolve policy and operational issues and move forward as appropriate. In managing the COSOP, IFAD and the Government will promote harmonization with national policies and alignment with partners' operations. Close supervision of the country programme will ensure fiduciary and operational compliance with relevant regulations and guidelines.

C. Partnerships

35. COSOP and project-level partnerships will be guided by IFAD's corporate partnership strategy. Four kinds of partnerships will be developed:
 - (a) **Structured cofinancing partnerships** with partners. The intention is to develop structured cofinancing of the country programme, rather than project-by-project cofinancing, on the basis of common goals and objectives and a shared vision for outreach and results. Partners may include the World Bank, the Asian Development Bank, the European Union, the Japan International Cooperation Agency and the Export-Import Bank of Korea. Structured cofinancing may focus on infrastructure development, financial services, technologies and capacity-building. Efforts will also be made to seek climate change financing from the IFAD Adaptation for Smallholder Agriculture Programme, the Green Climate Fund and the Global Environmental Facility.
 - (b) **Private-sector partnerships** with national and/or multinational private-sector entities. These will consist of business partnerships with agribusinesses for vertical value chain integration based on contractual relationships with smallholder organizations and financial partnerships with private-sector firms under the corporate social responsibility agenda. Partnerships with the national private sector are expected to evolve gradually, sequenced in line with the evolution of national private-sector capabilities.
 - (c) **Technical partnerships** with institutions providing technology and knowledge solutions in favour of smallholders and landless entrepreneurs. Relations will be developed with relevant national organizations such as ministries and research institutes. Partnerships will be created with international organizations providing policy advice, improved technologies, rural financial services and operational services. Technical partners will be selected based on the results they can create for the target groups.
 - (d) **Advocacy partnerships.** In the medium term, the country programme will seek to create these with civil society organizations or NGOs that advocate for or on behalf of the rural poor. As liberalization of civil society discourse in Myanmar is at a nascent stage, it is expected that scope for such partnerships may develop over the next three to five years.

D. Knowledge management and communication

36. Myanmar's previous isolation from the international community has restricted its exposure to successful approaches for promoting rural development and poverty reduction. The Government now needs external expertise to help design and implement pro-poor policy-based programmes with results on the ground. IFAD loan design and supervision, implementation support and grant programme provide the key entry points for the Fund to support the Government in drawing on global best practices and successfully executing its new policies and strategies. This will include access to knowledge from IFAD's experiences in modernizing agriculture,

assisting ethnic groups, addressing gender issues, upgrading profitable value chains and establishing financial services for the rural poor. Sharing of lessons and best practices will include policy dialogue and policy briefs, and learning events and meetings involving project staff, the Government and other development agencies.

37. Considering that this constitutes IFAD's first COSOP for Myanmar, there is a gap in its knowledge of the country's evolving policy and operational environment. In this context, knowledge stocktaking, management and communication will be key elements of the country programme, building upon an evidence-based analytical foundation. The proposed approach is "learning-by-doing", i.e. testing feasible operational approaches and incorporating lessons and best practices into the country programme through appropriate monitoring and evaluation systems that capture and analyse the relevant information. This will contribute to the achievement of the strategic objectives as well as national priorities. The country programme will promote a culture of learning from the results of development activities.

E. PBAS financing framework

38. The COSOP covers the period from 2014 to 2018, extending over two performance-based allocation system (PBAS) cycles. The indicative country allocation for Myanmar during the 2013-2015 PBAS¹ cycle is approximately US\$38.35 million. Myanmar is currently eligible to borrow from IFAD on highly concessional terms (0.75 per cent annual service charge, repayment period of 40 years including a grace period of 10 years). Two investment projects are planned under the 2013-2015 PBAS cycle, the first being submitted to the Executive Board in April 2014 and the second to be submitted in December 2014 or April 2015 depending on the Government's request. Two small country grants have already been approved under this cycle: the first to build the thematic capacity of the Department of Rural Development of MOLFRD; the second, executed by the United Nations Office for Project Services, to build the project management capacity of MOAI. A small grant for MOLFRD to pilot scalable livestock models is being processed, and another small grant to develop scalable community agroforestry models for MOECF is under consideration.

¹ The annual country allocation is based on an assessment of the sectoral framework for rural development (carried out in September 2012 for Myanmar), a project-at-risk rating (not applicable for Myanmar as there have never been any IFAD-funded projects) and the International Development Association Resource Allocation Index, which together give the final country score.

Table 1
PBAS calculation for COSOP year 1

Indicators	COSOP year 1
Rural sector scores	
A (i) Policy and legal framework for rural organizations	3.50
A (ii) Dialogue between government and rural organizations	3.38
B (i) Access to land	3.38
B (ii) Access to water for agriculture	3.00
B (iii) Access to agricultural research and extension services	2.75
C (i) Enabling conditions for rural financial services development	3.13
C (ii) Investment climate for rural business	3.33
C (iii) Access to agricultural input and produce markets	3.00
D (i) Access to education in rural areas	3.75
D (ii) Women representatives	1.83
E (i) Allocation and management of public resources for rural development	3.00
E (ii) Accountability, transparency and corruption in rural areas	2.69
Sum of combined scores	136
Average of combined scores	3.06
Project-at-risk rating	3.5
Country policy and institutional assessment rating	-
Country score	5 443
Annual allocation (United States dollars)	13 023 115

Table 2
Relationship between performance indicators and country score

Financing scenario	Project-at-risk rating (+/- 1)	Rural sector performance score (+/- 0.3)	Percentage change in PBAS country score from base scenario
Hypothetical low case	3	2.76	-34%
Base case	4	3.06	0%
Hypothetical high case	5	3.36	41%

F. Risks and risk management

39. Fiduciary risk assessment is drawn from the review of Myanmar's public financial management system by both IFAD and the World Bank and from the Public Expenditure and Financial Accountability Performance Measurement Framework, which rates the inherent country fiduciary risk as "high". In view of this, the projects financed by IFAD will apply a ring-fenced approach in the financial management arrangements. External auditors will be recruited through competitive bidding and audits will be carried out in accordance with international standards on auditing.
40. The key risks associated with achieving the strategic objectives are institutional, financial or policy-related, rather than technical.
41. An important risk relates to uncertainties in the operating environment. This will be mitigated by building trust between the Government and IFAD, heightening IFAD's understanding of government policies and systems, improving the Government's understanding of IFAD's operating model, and developing a joint mutual accountability framework at project level.
42. A second important risk relates to the limited capacity of government agencies to plan and implement participatory development investments. This is mitigated by the provision of capacity-building to relevant agencies (such as the small grants provided to the Department of Rural Development of MOLFRD and MOAI for capacity-building purposes), careful matching of project investments with evolving absorptive capacities and coordination with the capacity-building activities of development partners.
43. A third important risk relates to the transparent allocation of project funds and access to resources by target groups. This is mitigated by a mutual accountability framework, a good governance framework and specific assurances at project level, intensive supervision processes ensuring fiduciary compliance, and enforcement of zero tolerance in line with IFAD policy.

COSOP consultation process

Note: The COSOP for Myanmar was already endorsed by OSC in July 2011 (OSC/2011/21/APR), and all OSC recommendations were addressed in the document. However, due to the significant changes which occurred over the past three years (elections, establishment of a new Government in early 2012, sweeping reforms, lifting of many international sanctions) APR considers it appropriate to revise and re-submit the document for OSC endorsement.

Background

1. The background to the formulation of the COSOP for Myanmar includes:
 - The Union of Myanmar joined IFAD in 1990, following which a General Identification mission visited the country to develop a suitable strategy for IFAD's assistance. Among the projects identified, the Border Hills Area Project in Wa region was prioritized by the Government authority. The project was formulated in 1991-92, but not processed further. So far, IFAD has not provided any loan or grant directly to Myanmar, except a regional grant for strengthening agricultural competitiveness executed through FAO covering Myanmar as part of the Greater Mekong Sub-region.
 - During 2004-2010, H.E. Mr Htay Oo, the ex-minister of the Ministry of Agriculture and Irrigation (MOAI) met the Senior Management of IFAD on several occasions and on behalf of the government, requested IFAD to start its lending operations in Myanmar.
 - An IFAD mission visited Myanmar from 8th to 18th March 2005 to review the poverty situation in Myanmar and explored various options for assisting the poor. Based on the findings of the mission, a Country Programme Development Paper was developed as an internal strategic document for IFAD's operations in Myanmar, which was reviewed by the IFAD Management in 2005. The Country Programme Development Paper recommended IFAD to engage in Myanmar through collaboration with other UN agencies, bilateral donors and NGOs to implement its Country Programme in Myanmar. The Country Programme Development Paper was not submitted to the Executive Board for review.
 - At the request of the Office of the United Nations Resident Coordinator for Myanmar, IFAD fielded a Fact Finding Mission in late February 2009, with the objective to consult with the UN agencies, embassies of some IFAD List A countries based in Yangon, ASEAN representative, NGOs and the government on possible IFAD engagement in Myanmar.
 - The IFAD Governing Council in 2010 endorsed the country allocation of US\$18.4 million for Myanmar for the PBAS cycle of 2010-2012. However, the government could not utilize the country allocation due to delays in endorsing the draft country strategy.
 - From 30th July to 2nd August 2010, IFAD took a country strategy scoping mission to Myanmar to work with the government to prepare a draft country strategy for IFAD assistance to Myanmar for the period of 2012-2015.
 - In late July 2011, IFAD management took an internal review of the draft country strategy for Myanmar, which provides the basis for IFAD to start its lending operations in Myanmar. On 8th August 2011, we shared the draft country strategy with the government through the MOAI.
 - From 20th to 25th July 2012 in Nay Pyi Taw, an IFAD Country Strategy Consultation Mission visited Myanmar. The MONPED confirmed the government agreement to the mission Debriefing Note dated 25th July 2012.

- From 9 to 20 September 2013, an IFAD mission visited Myanmar for (i) the design of IFAD's first loan, to finance the Fostering Agricultural Revitalisation in Myanmar (FARM) project; (iii) updating of IFAD's first country strategy; (iv) formulation of the concept note for IFAD's proposed second loan; (v) design of a small grant which will support capacity building of the Ministry of Agriculture and Irrigation (MOAI); (vi) design of a small grant for the development of scalable livestock development models in support of the Ministry of Livestock, Fisheries and Rural Development (MOLFRD); and, (vii) support for the implementation of the grant to the Department of Rural Development (DRD).
- The country allocation for Myanmar during the cycle of 2013-2015 under the Performance-based Allocation System (PBAS) of IFAD is US\$36.8 million. At present, Myanmar is eligible for borrowing loans from IFAD on highly concessional terms, at 0.75% annual service charge and with a repayment period of 40 years, including a grace period of 10 years. This Country Programme Strategy covers the period from 2013 to 2018.

Scoping Mission

2. An IFAD country strategy scoping mission visited Myanmar from 22nd July to 7th August 2010 to: (i) consult with the Government on their priorities for agricultural development and rural poverty reduction; (ii) explore with the Government a feasible operational modality for IFAD's assistance to Myanmar; (iii) identify a project pipeline for potential IFAD financing during 2010-2012; and (iv) consult with the major bilateral and multilateral agencies, national civil society organizations and international NGOs based in Myanmar on potential opportunities for partnership and collaboration.

3. The in-country consultations undertaken the scoping mission included:

- Meetings with members of the UN Country Team (UNCT) in Myanmar; these included the UN Resident Coordinator, UNDP, FAO, UNICEF, UNHCR, UNESCO, UNAIDS, UNOCHA, WHO, WFP, UNOPS, UN-Habitat, IOM and ILO.
- Meetings with donor agencies including JICA, US Embassy, DFID, EU, SIDA, LIFT, and Swiss Agency for Development and Cooperation (SDC).
- Meetings with INGOs including OXFAM, Save the Children (Myanmar), and IDE.
- Meetings with representatives of local NGOs and organizations including the Myanmar Association of Agricultural, Livestock and Fisheries Sciences (MAAFLS), GRET, EcoDev, and ARDC.
- Meetings with Government agencies in Nay Pyi Daw and during the field visit to the Central Dry Zone (CDZ); these included the Minister and deputy Minister of Agriculture, and various Departments of the Ministry of Agriculture: DAP, DOA, ID, WRUD, DAR, and Yezin University.
- The scoping mission also met with representatives of other ministries and agencies including: the Ministry of Forestry – Planning and Statistics Department, Forest Department, and the NCEA; Ministry of Livestock and Fisheries; Ministry of Finance; and the Central Bank of Myanmar.

4. At the end of its visit to Nay Pyi Taw and the field visits, the scoping mission prepared an Aide-mémoire. This was submitted to Government on 4th August 2010 and discussed at a wrap-up meeting with officials from MOAI and other ministries on the 5th. It was agreed that the Government would confirm the Aide-mémoire as soon as possible, and that IFAD would submit the draft country strategy to the Myanmar Government for review and comments, once it has confirmed the Aide-mémoire. This process was delayed due to the national elections in Myanmar in November 2010, the coming into power of the newly elected Government on 30th March 2011, and the appointment of U Myint Hlaing as the new Minister of Agriculture and Irrigation. As a result, the strategy

was not approved by Government prior to the deadline of end-2012 for the current PBAS cycle.

Country Strategy Consultation Mission

5. From 16th to 26th July 2012, an IFAD Country Strategy Consultation Mission visited Myanmar to: (i) assess government priorities for agricultural and rural development and rural poverty reduction; (ii) consult with the government on the way forward for IFAD assistance to Myanmar and potential areas for cooperation, including reaching an agreement on the processes to update a draft country strategy for IFAD assistance to Myanmar; (iii) consult with the government on appropriate institutional partnership with relevant ministries involved in rural poverty reduction; (iv) identify a project pipeline for potential IFAD financing during 2012-2015; and (iv) explore potential opportunities for partnership and collaboration with other bilateral and multilateral development agencies operating in Myanmar.

6. From 16th-19th July 2012 in Yangon, the mission met the representatives from the UN Resident/Humanitarian Coordinator's Office, UNICEF, UNDP, FAO and the World Bank. On 26th July 2012, the mission had debriefing meetings in Yangon with the UNCT members and the donors of the Livelihood and Food Security Trust Fund (LIFT) and met the LIFT Trust Fund management. From 20th – 25th July 2012 in Nay Pyi Taw, the mission had meetings with the Ministry of National Planning and Economic Development (MONPED), the Ministry of Information, the Ministry of Agriculture and Irrigation (MOAI), the Ministry of Cooperatives, the Ministry of Industry, the Ministry of Finance and Revenue, the Department of Rural Development (DRD) Ministry of Border Affairs (MOBA), the Ministry of Livestock and Fisheries (MOLF), the Ministry of Commerce and its Myanmar Agriculture Produce Trading (MAPT), and the Ministry of Environmental Conservation and Forestry (MOECAF).

7. At the end of its visit to Nay Pyi Taw, the consultation mission prepared a debriefing note setting out a two-phased process for IFAD's future involvement in Myanmar. In the **first phase** during the second half of 2012 and in early 2013, IFAD would provide technical assistance through a grant to support the government in selected key priority areas of work identified in the poverty alleviation and rural development action plan to which IFAD can make a meaningful contribution. The objective of the grant project in Phase One would be to assist the Department of Rural Development (DRD) of MOBA to formulate a rural development strategy based on field testing of participatory and sustainable models and approaches to improve agriculture (including agriculture, livestock, fisheries and forestry) related productive service delivery and livelihood support programme. In the **second phase**, IFAD will provide its loan resources to finance one project in the agricultural and rural development sector for rural poverty reduction in Myanmar to support the Government's poverty alleviation and rural development action plan. Based on the operational experience learned in the first phase, the second phase will start in 2013, when IFAD would start to prepare an investment project in Myanmar in line the government policies and priorities, using the country allocations for Myanmar under the IFAD Performance-based Allocation System cycle of 2013-2015.

8. This debriefing note was discussed with Government officials at an inter-departmental meeting convened by the Foreign and Economic Relations Department (FERD) of the Ministry of National Planning and Economic Development on 25th July 2012. After consultation with relevant Government departments, FERD confirmed the Government's acceptance of the debriefing note in mid-November 2012. IFAD prepared a draft concept note for the grant project in consultation with DRD and submitted it to Government for review in November 2012. IFAD also prepared a draft country strategy for IFAD assistance to Myanmar, and submitted this to the Myanmar Government for review and comments in December 2012. The Government agreed in principle to the COSOP and proposed a further mission in January 2013 to validate the strategy.

Country Strategy Consultation and Finalisation Consultation Mission

9. An IFAD Mission visited Myanmar from 17th January to 8th February to validate the country strategy for IAF assistance to Myanmar and to finalize the design and implementation arrangements for the IFAD technical assistance grant. From 19th to 20th January 2013, two of the mission members participated in the First Myanmar Development Cooperation Forum in Nay Pyi Taw. From 22nd to 26th January in Yangon, the mission met with representatives from the UN system, including the UN Resident/Humanitarian Coordinator's Office, UNDP, FAO, UNPOS; international financing institutions of ADB and the World Bank; and bilateral development partners of the Livelihood and Food Security Trust Fund (LIFT), USAID and JICA. From 28th January to 6th February, in Nay Pyi Taw, the mission had meetings with the Ministry of National Planning and Economic Development (MONPED), the Ministry of Information, the Ministry of Agriculture and Irrigation (MOAI), the Ministry of Cooperatives, the Ministry of Industry, the Ministry of Finance and Revenue, the Department of Rural Development (DRD) Ministry of Border Affairs (MOBA), the Ministry of Livestock, Fisheries and Rural Development (MOLF), the Ministry of Commerce and Myanmar Agriculture Produce Trading (MAPT), and the Ministry of Environmental Conservation and Forestry (MOECAF). From 31st January to 1st February, the mission visited Magway Region to understand the operations of agricultural and rural development activities in three villages in Myothit and Magway townships. During the field visit, the mission met with the Chief Minister of Magway Region, the Regional Ministers for Social Welfare and Agriculture and Livestock, staff from the regional and township planning and rural development offices and representatives of UN organisations and NGOs working in Magway Region.

10. The Mission prepared a Debriefing Note for discussion with relevant Government agencies at a debriefing meeting in Nay Pyi Taw on 5th February 2013. The Debriefing note reiterated the two-phased approach as outlined above in paragraph 9. The Government, through FERD, provided feedback to IFAD on the COSOP and the Grant Project Design document on 1 March 2013, followed by two proposals for investment projects from the MOLF and the MOAI, which had been approved by the Foreign Aid Management Central Committee. FERD also proposed that IFAD carry out a further inception mission in May 2013 to consult with Government on the selection of the project for investment by IFAD.

11. The final COSOP mission was undertaken in September 2013 and consisted of several APR staff members. The mission finalized the revision of the COSOP in consultation with Government. A two-project strategy for the 2013-2015 PBAS cycle was discussed and agreed with MONPED and MOAI.

Country economic background

Land area (km2 thousand) 2011 1/	653	GNI per capita (US\$) 2011 1/	n/a
Total population (million) 2011 1/	48.34	GDP per capita growth (annual %) 2011 1/	n/a
Population density (people per km2) 2011 1/	74	Inflation, consumer prices (annual %) 2011 1/	5
Local currency Kyat (MMK)		Exchange rate: US\$ 1 = 989 MMK (as at January 2014)	
Social Indicators			
Population growth (annual %) 2011 1/	1		
Crude birth rate (per thousand people) 2011 1/	17	GDP (US\$ million) 2011 1/	n/a
Crude death rate (per thousand people) 2011 1/	8	GDP growth (annual %) 1/	
Infant mortality rate (per thousand live births) 2011 1/	48	2000	14
Life expectancy at birth (years) 2011 1/	65	2011	n/a
Total labour force (million) 2011 1/	28.38	Sectoral distribution of GDP 2011 1/	
Female labour force as % of total 2011 1/	49	% agriculture	n/a
		% industry	n/a
		% manufacturing	n/a
		% services	n/a
Education			
School enrolment, primary (% gross) 2011 1/	n/a	Consumption 2011 1/	
Adult illiteracy rate (% age 15 and above) 2010 1/	8	General government final consumption expenditure (as % of GDP)	n/a
		Household final consumption expenditure, etc. (as % of GDP)	n/a
		Gross domestic savings (as % of GDP)	n/a
Nutrition			
Daily calorie supply per capita	n/a	Balance of Payments (US\$ million)	
Malnutrition prevalence, height for age (% of children under 5) 2011 1/	n/a	Merchandise exports 2011 1/	330
Malnutrition prevalence, weight for age (% of children under 5) 2011 1/	n/a	Merchandise imports 2011 1/	3 000
		Balance of merchandise trade	330
Health			
Health expenditure, total (as % of GDP) 2011 1/	2	Current account balances (US\$ million)	
Physicians (per thousand people) 2011 1/	n/a	before official transfers 2011 1/	n/a
Population using improved water sources (%) 2011 1/	84	after official transfers 2011 1/	-2
Population using adequate sanitation facilities (%) 2011 1/	77	Foreign direct investment, net 2011 1/	848
			001
Agriculture and Food			
Food imports (% of merchandise imports) 2011 1/	n/a	Government Finance	
Fertilizer consumption (hundreds of grams per ha of arable land) 2010 1/	6	Cash surplus/deficit (as % of GDP) 2011 1/	n/a
Food production index (2004-06=100) 2011 1/	139	Total expense (% of GDP) a/ 2011 1/	n/a
Cereal yield (kg per ha) 2011 1/	3 880	Present value of external debt (as % of GNI) 2011 1/	n/a
		Total debt service (% of GNI) 2011 1/	n/a
Land Use			
Arable land as % of land area 2011 1/	17	Lending interest rate (%) 2011 1/	16
Forest area as % of total land area 2011 1/	48	Deposit interest rate (%) 2011 1/	11
Agricultural irrigated land as % of total agric. land 2011 1/	n/a		

a/ Indicator replaces "Total expenditure" used previously.

1/ World Bank, *World Development Indicators* database CD ROM 2013-2014

COSOP results management framework

Country Strategy Alignment		Key Results for COSOP			Institutional/Policy Objectives
National strategies addressing poverty	Strategic Objectives	Outcome Indicators Related to the SOs ²	Milestone Indicators Showing Progress to SOs	Policy Dialogue Agenda	
<p>National Comprehensive Development Plan (NCDP) and Framework for Economic and Social Reforms (FESR) 2013</p> <p>Articulates the long-term goals and short term priorities for the Government for:</p> <ul style="list-style-type: none"> Inclusive growth, stability and poverty reduction; People-centred development. <p>Poverty Alleviation and Rural Development Action Plan (PARDAP) 2011</p> <p>Addresses 8 priority areas;</p> <p>(i) agricultural production; (ii) livestock and fisheries; (iii) rural productivity and cottage industries; (iv) micro saving and credit enterprises; (v) rural cooperatives; (vi) rural socio-economy; (vii) rural energy; and (viii) environmental conservation.</p> <p>National Economic and Social Development Plan 2011/12-205/16</p> <p>(i) continuation of the infrastructure development, (ii) development of border areas, (iii) development of rural areas, (iv) poverty alleviation, (v) achieving MDGs 1 and 7, and (vi) maintaining good economic foundations and financial conditions</p>	<p>SO1: to empower rural women and men to access agricultural resources, technologies, services and markets.</p> <p>SO3: to promote the social and economic empowerment of marginalised groups, particularly ethnic groups.</p>	<ul style="list-style-type: none"> Agricultural services are provided to at least 100 000 farmers households, with a focus on smallholders with 2 ha or less. At least 50 000 poor, small/marginal farmer households and ethnic group households in project areas adopting improved technology and farming practices At least 30 000 men and women small/marginal farmers reporting increased production and sales of rice, oil seeds and pulses (>30% in irrigated and 20% in rainfed areas). At least 6 schemes and 12 000 ha of irrigated land where user groups undertaking O&M are assessed as effective. At least 2 MFIs operating in rural areas in collaboration with IFAD projects and serving IFAD target groups <p>SO2: to create business and employment opportunities for rural women and men.</p> <p>SO3: to promote the social and economic empowerment of marginalised groups.</p>	<ul style="list-style-type: none"> Farm households with 2ha or less receiving extension and demonstration advices. Number of ethnic groups households accessing improved resources and technologies. Number of producers (m/f) reached by rural knowledge centers or technical services. Local resource management groups (water users, farmers, landless) formed and trained. At least 6 irrigation schemes well maintained by water user groups. No. men, women and youth trained by sub-sector. At least 200 extension and animal health workers trained and operating in all target villages. No. of storage, processing and marketing facilities constructed. No. of evidence-based studies disseminated. <ul style="list-style-type: none"> No. of rural households trained in off-farm skills. No. of functioning SHGs/savings and credit groups. Volume and repayment rate of funds revolving in the group saving and credit funds. No of skill training sessions provided to rural women and the landless poor. No of target group members engaged in successful rural enterprises. No. of ruminants and poultry raised by farmers. No. of persons accessing formal-sector credit. 	<ul style="list-style-type: none"> Improved policies for research, extension and credit services that are responsive to the needs of smallholders. Development of market-based value chain approaches for major crops in the project areas. Appropriate legal framework in place for farmer groups. Appropriate legal framework in place for ethnic groups. 	

² All indicators will be disaggregated by gender and ethnic group. The indicators will be further revised and simplified to make them less in number and more quantifiable, during the COSOP validation process and the social and economic study in the CDZ. This will apply particularly to milestone indicators, which will be refined depending on the investment project selected.

Project Pipeline

First Project: Fostering Agricultural Revitalisation in Myanmar (FARM)

The FARM project is at final design stage. The concept note was already approved by OSC in June 2013 and the documentation is available with the OSC secretariat. The project will be submitted for approval to the Executive Board concurrently with this COSOP.

Proposed loan and grant to the Republic of the Union of Myanmar for Fostering Agricultural Revitalization in Myanmar (FARM)

I. Strategic context and rationale

A. Country and rural development and poverty context

1. Emerging from 50 years of isolation, Myanmar has embarked on a comprehensive path of political and economic reforms that aim to introduce elements of popular representation in the political sphere, foster economic growth and inclusive social development, improve the business environment, attract foreign investment and reduce poverty.
2. Myanmar's population in 2011 was estimated at 60.6 million, with an annual growth rate of 1.3 per cent. Myanmar is a least developed country and one of the poorest nations in Asia; the United Nations Development Programme (UNDP) 2013 Human Development Report ranks it 149th among 186 nations rated, with a Human Development Index (HDI) of 0.498.
3. Myanmar is the largest country in South-East Asia, with rich endowments of land and water, and favourable climates for agriculture. The agriculture sector constitutes the backbone of the economy, and two-thirds of the population lives in rural areas. Paradoxically, for such a resource-rich country, there is a strong association between agriculture and poverty, and a stark rural-urban divide, with significantly higher levels of poverty in rural areas compared with urban areas and among smallholders, the landless and ethnic groups. While in aggregate terms the country produces a surplus of food, many rural areas suffer from chronic and acute food insecurity. These disparities exist among and within states, within village tracts, and within villages, where household food insecurity and poverty are closely linked.
4. Rural poverty in Myanmar is largely a function of lack of resource endowments. Although there is no official poverty line, poverty and social deprivation are known to be widespread. In 2005, an estimated one-third of the population lived below the poverty line, falling to one-fourth by 2010. The rural poor typically consist of the landless and those with access to small and marginal landholdings. The rural poor suffer from inadequate food, nutrition and essential non-food items. Many of the poorest live in the central dry zone or in hill tracts populated by ethnic groups, which are remote, have limited arable land and have been affected by conflict.

B. Rationale and alignment with government priorities and RB-COSOP

5. The Government has requested IFAD to finance agricultural operations in Myanmar. As the first project to be financed by IFAD in the country, FARM focuses on creating a sustainable and scalable agricultural development model for the central dry zone. It will be implemented in selected townships of Nay Pyi Taw Union Territory, for subsequent scaling up across the zone as appropriate. At the community level, the project combines the smallholder irrigated land development model initiative of the Ministry of Agriculture and Irrigation (MOAI) with livelihoods support for rainfed farmers and landless households. It introduces several innovations in Myanmar's

context: a participatory approach to land development; provision of a range of services and knowledge resources for smallholders and the landless; and, building of institutional, technical and operational capacities at community, township and state levels.

6. The project is consistent with the Myanmar COSOP 2014-2018, the goal of which is to contribute to reducing rural poverty, specifically of smallholders, the landless, ethnic groups and other marginalised groups. The COSOP defines three strategic objectives for IFAD's engagement: (i) to empower rural women and men to access agricultural resources, technologies, services and markets; (ii) to create business and employment opportunities for rural women and men; and (iii) to promote the social and economic empowerment of marginalised groups, particularly ethnic groups. The project directly addresses the first two strategic objectives.
7. The project has been requested by Government. It emerges from the Government's policy agenda and strategic priorities for economic and social development as well as agricultural modernisation. It is consistent with the National Comprehensive Development Plan, the Framework for Economic and Social Reform, and the Poverty Alleviation and Rural Development Action Plan. It also invests in two priorities of the National Medium Term Priority Framework 2011-2014, namely to increase agricultural production to ensure food security, and to improve rural livelihoods by supporting communities to harness their physical, natural and human capital.

II. Project description

A. Project area and target group

8. In line with Government request, the project area consists of: (i) the command areas of six irrigation schemes (Paunglaung, Chaungmange and Madan in Tekhina district; and Yezin, Ngalit and Sinthay in Ottra district) in Nay Pyi Taw Union Territory amounting to 87,183 acres within the area of five townships (Lewe, Ottrathiri, Pyinmana, Tatkon, Zeyathiri); and (ii) an additional 25,000 acres of rainfed lowlands and uplands located around these townships. The project therefore covers an aggregate area of 112,183 acres (45,400 hectares) which constitutes 45 per cent of the cultivated land in the five townships.
9. The target group consists of poor rural women and men in the project area. Specifically, it covers: (i) women and men farmers in the command areas of six targeted irrigation schemes; (ii) women and men farmers with landholdings only in rainfed areas; and (iii) poor landless women and men who are interested to invest in rural micro-businesses. Women-headed and ethnic groups' households will have priority in planning and implementation. The project adopts an inclusive targeting approach encompassing geographical targeting, self-targeting, direct targeting, and social and gender inclusion. It is expected to directly benefit 37,600 households consisting of 183,400 people.

B. Project development objective

10. The project will introduce regional and global best practices to develop a sustainable and scalable model for smallholder agriculture and rural development across Myanmar's central dry zone. It will support land consolidation and development, productive infrastructure, agricultural and business services, flow of knowledge and capacity building to promote an inclusive development model in this zone.
11. The project's goal is to improve the economic status of poor rural women and men in the project area. Its objective is to increase incomes of smallholder and landless households.

C. Components/outcomes

12. The project has two components.
13. **Component 1: agricultural infrastructure (approximately US\$ 13.2 million, 47 per cent of total project cost).** The project will contribute to the ongoing expansion of irrigated areas under the command of MOAI primary and secondary canals, with

complementary investments in land development identified through a participatory process. The objectives are to: (i) improve equity of irrigation water distribution; (ii) create opportunities for crop diversification; and (iii) improve field access (for machinery and transport). Areas for which land user rights have been approved and land titles issued or are in the process of being issued, will be eligible for land development. Farmer empowerment will be fostered, particularly in scheme operation and maintenance.

- 14. Component 2: agricultural and business services (approximately US\$ 11.7 million, 42 per cent of total project cost).** This component consists of two sub-components: (i) investing in knowledge; and (ii) financing growth.
- 15. Sub-component 2.1: Investing in Knowledge.** The project will promote a conducive environment for rural households to access services and technologies which enable them to improve their productive and economic activities. It will support: (i) the creation of a pluralistic participatory extension platform in support of smallholder households; and (ii) services to landless entrepreneurs to start and/or develop rural micro-businesses. The expected outcomes are enhanced skills and increased incomes of farming and landless households.
- 16. Sub-component 2.2: Financing Growth.** The project will foster enabling conditions for the growth of sustainable rural micro-businesses and SMEs. Two competitive grant funds will be established, the first in support of rural businesses operated by landless households, and the second in support of value chain integrators (to be will be transformed into a public-private-producers partnership model when farmers' organisations are developed. Access of smallholders and the landless to financial services will be improved by attracting microfinance institutions to the area and by promoting contract farming; and financial intermediaries such as savings and credit groups will be fostered.
17. The remainder of project costs (approximately US\$ 3.0 million, or 11 per cent of total project cost) is allocated to project management and coordination, described below.

III. Project implementation

A. Approach

18. Myanmar has little experience in managing and implementing externally-financed investments in the agriculture sector. Borrowing from experiences in similar contexts, the approach adopted for the project consists of gradual capacity development of MOAI, gradually increased MOAI responsibility for implementation in a sequenced manner, and establishment of an autonomous Project Coordination Unit (PCU). Special attention will be placed on participatory monitoring and on establishing a *mutual accountability framework* to govern the commitments and accountabilities of the main partners.
19. Project activities will be implemented through partnerships and contracts with relevant line agencies, NGOs, service providers and the private sector. Partners and service providers will be appointed on performance-based contracts, with performance assessed by the PCU and beneficiary representatives.

B. Organizational framework

20. The project's governance framework will consist of: (i) a national project steering committee to provide policy and strategic guidance; (ii) a project working committee at MOAI level to provide oversight for project coordination; (iii) township project coordination committees to coordinate activities at township level; and, (iv) village tract facilitation and monitoring groups to ensure that effective approaches to participation, poverty targeting and gender mainstreaming are applied.
21. The PCU will be responsible and accountable for the coordination of the project and achievement of its results. It will be an autonomous entity reporting to the National Project Steering Committee (NPSC), and will be located in Nay Pyi Taw. Its structure will reflect project components and investments, and it will have a certain level of

financial autonomy. It will be managed by the project director (senior officer seconded from MOAI), who will have delegated authority and will be able to commit MOAI as the lead project agency. Apart from the project director, project staff will be recruited from the public or private sectors on competitive basis in compliance with IFAD guidelines.

C. Planning, monitoring and evaluation, and learning and knowledge management

22. The annual workplan and budget supplemented by activity calendars will be the key planning documents for the project. They will serve as the instruments for identifying specific targets and activities, establishing management priorities for implementation, forecasting procurement requirements, and facilitating the mobilization of staff and financial resources.
23. The monitoring and evaluation system is designed to offer comprehensive and reliable information for results-based management. The system will be participatory and decentralised, and compliant with the RIMS framework. It will have a three-tier structure: (i) output monitoring focusing on physical and financial inputs, activities and outputs; (ii) outcome monitoring addressing the use of outputs and measurement of benefits at household and village tract levels; and (iii) impact assessment evaluating impact for the target groups. All data, analysis, and reporting will be disaggregated by gender and ethnicity. Considering well-known problems with data availability and quality in Myanmar, a data acquisition plan for the project area will be developed at the outset of implementation.
24. The project will use locally adapted RIMS surveys at baseline, mid-term and completion as the main quantitative survey tools. Ad hoc surveys, qualitative case studies and thematic reviews will be outsourced to independent institutions to verify results and draw lessons on themes such as food security, cropping patterns, climate resilience, micro-business sustainability, participatory water management, and impact on incomes. An external independent third party (such as a national university or NGO) will be engaged to assess project impact on periodic basis.
25. The project's operational experiences will create valuable knowledge to be captured by the PCU and utilised to generate lessons and best practices to be shared with national institutions and partners. The results of project support for sustainable activities for smallholders and the landless, developing alternative cropping patterns, strengthening farmers' knowledge, improving natural resource management, and expanding access to microfinance and rural finance will be widely publicised. Once documented, the project's model of sustainable agricultural development may be scaled up across the central dry zone. The project will share knowledge and experiences with the wider community of development practitioners across Asia through the IFADAsia knowledge management portal.
26. The project will establish a rigorous data collection and analysis module, utilising baseline surveys as well as cross sectional and time series indicators, to establish a robust database for the agriculture sector of the central dry zone. This will track the effects and impact of project investments on agricultural productivity, production and cropping patterns, and will inform subsequent efforts to scale up project investments in other parts of the central dry zone.

D. Financial management, procurement and governance

27. Project financial management arrangements will ensure that: (i) funds are used for intended purposes in an efficient and cost effective manner; (ii) disbursement of project funds facilitates rapid implementation of activities; (iii) funds are well managed and flow smoothly; (iv) the project financial statements prepared in conformity with internationally recognised accounting standards are submitted to IFAD on a timely basis; (v) a robust flow of reliable information on project activities facilitates accountability, transparency and disclosure; and (vi) project resources and assets are safeguarded.

28. As fiduciary risks are rated as 'high', a number of mitigation methods will be applied: (i) procurement of accounting software and associated MOAI capacity building; (ii) competitive recruitment of key financial management staff; (iii) preparation of a financial management manual which integrates multi-tier controls; (iv) delegation of authority to the PCU to plan, manage, disburse and control project resources; (v) capacity building support and oversight by external specialists; (vi) creation of a robust control framework integrating internal audits, independent external audits, and social safeguards; (vii) adoption of a good governance and *mutual accountability framework* to strengthen accountability and transparency.
29. The project will use the imprest fund method for operating the two designated accounts (one for the loan and the other for the grant) which will be maintained in the Central Bank of Myanmar or another bank acceptable to IFAD. Funds will be advanced to the PCU on the basis of the approved annual workplan and budget (AWPB) and procurement plan, updated for actual expenditures. The statement of expenditure thresholds will be defined in the Letter to the Borrower. The project implementation manual and financial management manual will detail the control framework based on global best practises.
30. The external audit shall be carried out in compliance with International Auditing Standards and IFAD's Guidelines on Project Audits, independent external auditors will be appointed on a timely basis. Audit reports will be furnished to IFAD within six months of the end of the relevant fiscal year.
31. The PCU will be responsible and accountable for project procurement to be executed in compliance with IFAD's procurement guidelines. The procurement methods, prior review arrangements, estimated costs and timeframes, and risk mitigation measures will be defined in the Letter to the Borrower and reflected in the procurement plan. The project implementation manual (PIM) will detail procurement procedures, processes and management arrangements.

E. Supervision

32. The project will be directly supervised by IFAD. Supervision and implementation support missions will be conducted every six months in the initial period, and annually thereafter. The Government, through MOAI, will provide both logistical and substantive support to the missions.
33. Supervision and implementation support will encompass: (i) fiduciary compliance with attention to legal conditions, financial management, disbursement, procurement and contracting; (ii) supervision focusing on implementation performance, progress towards objectives, investments and outputs, governance and management, targeting and gender mainstreaming; and (iii) implementation support to provide guidance and assistance to the project. Implementation support will incorporate a country programme perspective by introducing a broad view of development investments, influencing policy based on operational experiences, developing systems and institutions for poverty reduction, facilitating financial and knowledge partnerships, and generating lessons and best practices.
34. Considering the limited implementation experience in Myanmar, two mid-term reviews will be undertaken to assess the progress, achievements, constraints, emerging impact and likely sustainability of project activities and to make recommendations and necessary adjustments for the remaining project period. The MTR will be carried out jointly by the PCU and IFAD. At the end of the project, a project completion report will be prepared by Government, with IFAD support, to assess overall project performance.

IV. Project costs, financing, benefits

A. Project costs

35. Total project costs, including duties, taxes and contingencies, are estimated at US\$ 27.8 million over a six-year project implementation period. Average physical contingencies of 4 per cent and price contingencies of 5 per cent are applied to the

base costs of US\$ 25.5 million. The exchange rate has been set at MMK 975 to the US\$, the average rate prevailing at final design, and a constant purchasing power parity exchange rate is assumed.

B. Project financing

36. The project will be financed by an IFAD loan on highly concessional terms of approximately US\$ 18.7 million (67 per cent of total cost), an IFAD grant of approximately US\$ 0.8 million (3 per cent), Government contribution of approximately US\$ 5.3 million (19 per cent), private sector resources of approximately US\$ 2.4 million (9 per cent), and beneficiary contribution of US\$ 0.6 million (2 per cent). The Government's contribution covers US\$ 4.5 million for land development and some base staff salaries, and US\$ 0.8 million for duties and taxes. The proceeds of the IFAD Financing shall not be used to pay taxes.

Table 1: Components by financiers (US\$ '000)

	Local																				
	The Government						IFAD Loan			IFAD Grant			Private Sector			Rural HH		Total		(Excl. For. Exch.	Duties & Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	For. Exch.	Taxes)	Taxes		
A. Agricultural Infrastructure Improvements	3 808.4	28.9	8 736.2	66.3	283.9	2.2	-	-	341.3	2.6	13 169.8	47.3	4 290.8	8 876.2		2.8					
B. Agricultural & Business Services																					
1. Investment in Knowledge	775.1	12.9	4 583.4	76.2	357.5	5.9	302.4	5.0	-	-	6 018.4	21.6	994.7	4 855.1		168.5					
2. Finance for Growth	-	-	3 300.2	58.1	-	-	2 100.0	37.0	280.0	4.9	5 680.2	20.4	3 190.0	2 294.2		196.0					
Subtotal	775.1	6.6	7 883.6	67.4	357.5	3.1	2 402.4	20.5	280.0	2.4	11698.6	42.0	4 184.7	7 149.4		364.5					
C. Project Coordination	713.1	24.1	2 106.2	71.2	137.1	4.6	-	-	-	-	2 956.4	10.6	773.0	1758.4		425.0					
Total PROJECT COSTS	5 296.5	19.0	18 726.0	67.3	778.5	2.8	2 402.4	8.6	621.3	2.2	27 824.8	100.0	9 248.5	17 784.0		792.3					

Table 2: Indicative Disbursement Accounts by Financiers³

	Local																				
	The Government						IFAD Loan			IFAD Grant			Private Sector			Rural HH		Total		(Excl. For. Exch.	Duties & Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	For. Exch.	Taxes)	Taxes		
1. Works	3 159.1	26.1	8 583.8	71.0	-	-	-	-	341.3	2.8	12 084.2	43.4	3 929.5	8 151.9		2.8					
2. Vehicles	383.0	59.7	258.9	40.3	-	-	-	-	-	-	641.9	2.3	246.3	12.6		383.0					
3. Equipment & Materials	13.0	8.0	149.4	92.0	-	-	-	-	-	-	162.4	0.6	101.6	47.8		13.0					
4. Consultancies	23.4	1.0	1 464.9	64.6	778.5	34.3	-	-	-	-	2 266.9	8.1	958.0	1 285.4		23.4					
5. Training	11.2	2.2	472.7	92.4	-	-	27.8	5.4	-	-	511.6	1.8	195.5	302.1		14.0					
6. Goods Services & Inputs	177.0	7.4	1 951.1	81.2	-	-	274.7	11.4	-	-	2 402.9	8.6	260.7	2 025.0		117.1					
7. Grants & Subsidies	-	-	3 190.0	57.3	-	-	2 100.0	37.7	280.0	5.0	5 570.0	20.0	3 190.0	2 184.0		196.0					
8. Staff Salaries & Allowances	593.8	23.0	1 992.7	77.0	-	-	-	-	-	-	2 586.5	9.3	-	2 586.5		-					
9. Operating Costs	936.0	58.6	662.5	41.4	-	-	-	-	-	-	1 598.5	5.7	367.0	1 188.6		42.9					
Total PROJECT COSTS	5 296.5	19.0	18 726.0	67.3	778.5	2.8	2 402.4	8.6	621.3	2.2	27 824.8	100.0	9 248.5	17 784.0		792.3					

C. Summary benefit and economic analysis

37. The project will directly benefit about 37,600 households (183,400 people). Of these, it is expected that 29,250 households (142,720 people) are poor households, with an average per capita income of US\$ 0.8 per day. They include smallholder households on 10,000 acres of irrigated land selected for development; other smallholders in selected command areas and on associated rainfed land; poor landless micro-entrepreneurs, particularly in households with unemployed young women and men; and those benefitting from incremental employment opportunities created in agriculture, infrastructure, and non-farm sectors. The project's economic internal rate of return (EIRR) is estimated at 27 per cent. Sensitivity analysis shows that the project is robust in the event of delays in flow of benefits or unforeseen cost overruns.

³ The final disbursement categories will be decided during negotiations based on IFAD's procedures which will include a maximum of 5 cost categories for reasons of efficiency.

D. Sustainability

38. The sustainability of project investments focuses on: (i) access to knowledge: knowledge centres will be governed by communities and managed by trained extension staff; financial mechanisms will be introduced to ensure that operating costs are covered by members to ensure the sustainability of these facilities; (ii) access to markets: upgraded commodity chains and improved equitable contractual agreements with processors and traders will ensure access to markets that will be sustained based on underlying business relationships; (iii) access to water: participatory water management arrangements will ensure equitable water distribution and proper operation and maintenance; (iv) access to financial services: sustainable development of microfinance institutions will be promoted for the project area; (v) extension services: use of extension officers trained and equipped by the project will ensure continuity in delivery of extension services.

E. Risk identification and mitigation

39. The project's main risks are related to political risk, land tenure and poor governance. These are mitigated by a mutual accountability framework, a set of assurances to be negotiated with Government, strong capacity building of MOAI, robust supervision and implementation support by IFAD, and working closely with partners on policy and operational issues.

V. Corporate considerations

A. Compliance with IFAD policies

40. The project is compliant with relevant IFAD policies, strategies and guidelines. Its goal and objective are aligned with the *Strategic Framework 2011-2015* in terms of market-driven smallholder development and rural non-farm business growth. Its targeting strategy is consistent with the *Targeting Policy* approach of focusing on economically active poor rural women and men in farming and landless households. Its investments in rural economic growth are compliant with the *Rural Finance Policy* promotion of inclusive financial systems to improve the access of the rural poor to financial services. Its participatory approach to land consolidation is consistent with the *Land Tenure Policy*'s focus on the principle of free, prior and informed consent. Its environmental impact assessment procedures for infrastructure investments are aligned with the *Climate Change Policy* on adaptation and mitigation measures. The project is not expected to have any significant negative environmental impact and is classified as environmental risk category B.

B. Alignment and harmonization

41. The project emerges from the priorities articulated in the Government's National Comprehensive Development Plan, the Framework for Economic and Social Reform, and the Poverty Alleviation and Rural Development Action Plan. It is consistent with the United Nations' Strategic Framework for Myanmar. It is furthermore closely coordinated with the emerging agriculture sector investments of development partners such as the World Bank (WB) and the multi-donor Livelihoods and Food Security Trust Fund (LIFT).

C. Innovations and scaling up

42. The project is considered by Government as a pilot to be scaled up across the central dry zone. As such, it is designed to create potential for systematically expanding, replicating, adapting and sustaining successful investments. Through its investment tools, funds and forward-looking policy support, the project will create the pathways, drivers and spaces for scaling up. Investments will be unbundled to facilitate operation at scale of core activities.
43. Key elements of project design are already being scaled up by important partners. First, the WB plans to invest US\$ 100 million in October 2014 in three locations of the Central Dry Zone (Mandalay, Sagaing, Bago) by scaling up relevant FARM investments, particularly in the areas of irrigation management and advisory services. IFAD and WB are coordinating their respective investments, and the WB is

considering utilising the project management and implementation arrangements being set up under FARM. Second, the multi-donor trust fund LIFT is considering scaling up the approach and relevant activities of FARM for its new programme under design for other locations of the Central Dry Zone.

44. Key elements of innovation in the Myanmar context include: (i) the participatory approach introduced; (ii) the targeted delivery of technologies and services; (iii) the promotion of climate-smart agricultural technologies; (iv) livelihoods diversification, with potential for higher value addition; (v) promotion of landless entrepreneurs' micro-enterprises; and (vi) support for adapted rural finance products and services.

D. Policy engagement

45. Policy engagement will be built at two levels. First, the project will contribute to analysis of policy issues related to implementation experiences, fostering stakeholder alliances to capture policy proposals, building capacities for policy development, and promoting policy advocacy within national processes. Specifically, the project is expected to provide evidence-based policy advice on irrigation development and land consolidation across the central dry zone, as well as on technologies, knowledge resources and financial services in support of poor farming and landless households.

46. Second, the project will enhance IFAD's direct policy engagement with Government and partners which channels operational experiences in poverty reduction to the appropriate policy and strategy discussions. These experiences provide unique opportunities to identify policy gaps and formulate policy recommendations on issues affecting the rural poor, and generate the evidence basis that can inform policy discussions.

VI. Legal instruments and authority

47. A financing agreement between the Republic of the Union of Myanmar and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement will be tabled at the session.
48. The Republic of the Union of Myanmar is empowered under its laws to receive financing from IFAD.
49. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VII. Recommendation

50. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Republic of the Union of Myanmar in an amount equivalent to ... special drawing rights (SDR ...), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a grant to the Republic of the Union of Myanmar in an amount equivalent to ... special drawing rights (SDR ...) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze
President

Logical framework

Results Hierarchy	Measure	Source	Assumption
Goal/Development Objective: Economic status of poor rural women and men in the project area improved.	<ul style="list-style-type: none"> Child nutrition standards improved [baseline 2010: 31.5% UNICEF] HHs expenditure increased above the poverty line [baseline 2010: 31.6% UNDP] 	UNICEF, UNDP, National Statistics	
Specific Objective: 59 000 households in 5 townships of Nay Pyi Taw Union have higher incomes and improved nutrition	<ul style="list-style-type: none"> Net income of farming HHs increased by USD 400/annum in real terms across the whole 112'000 acres (approx. 29 000 HH) Landless HHs average food expenditure increased by USD 20/month 20% shift in relative asset ownership for 2 poorest quintiles (RIMS relative measure) 	RIMS impact survey, Focus groups discussions	Programme successes are replicated, scaled-up Public sector governance is improved
Outcome 1: Land and water resources sustainably managed	<ul style="list-style-type: none"> Access to water all year secured for 3,300 HHs Field to roadside haulage costs reduced by 15% Post-harvest losses reduced by 20% for each crop 	HHs surveys, Focus group discussions Comparative data of beneficiaries and control group	Farmers with free crop choice
Output 1.1: 10'000 acres of irrigated land consolidated and improved in 3 schemes	<ul style="list-style-type: none"> 20 PICs established and block development plans agreed 10'000 acres levelled 340 km of tertiary canals completed 180 km of drainage network completed 200 km of farm roads completed 3'400 small hydraulic structures built 	NGO progress reports, ID/MOAI records, PIC and UNOPS completion of work certificates, GPS and satellite pictures Farmers' grievance records	<p>NGO recruited to assist in adopting PLUP & FPIC approaches</p> <p><i>Risks:</i></p> <ul style="list-style-type: none"> Lack of skills, equip. for land consolidation Political interference in land consolidation works
Output 1.2: 3 300 farms re-titled and delineated	<ul style="list-style-type: none"> 3,300 land users' rights re-issued and 3,300 land users' documents signed Earth bunds and PVC turnouts constructed on 3,300 farms to delineate plot boundaries 	SLRD records, Township and village tracts records	<i>Risk:</i> Land confiscation by GoM
Output 1.3: 165 Water Management Organizations functional	<ul style="list-style-type: none"> 165 Water Users' Groups registered At least 2 members of each WUG trained by project 20 Labour Contracting Societies established Cost recovery scheme developed for each WUG At least 200 HHs accessing hydropower electricity 	WUGs admin. records LCSs admin. records Training documents/data, Service provider/Supplier administrative records	
Outcome 2: Skills of farming and landless HHs enhanced, employment improved, relevant value chains upgraded	<ul style="list-style-type: none"> Yield increase by 15% on trade. crops after 3 years At least 3,100 HHs benefit from job opportunities Farmgate price of rice increased by 20% At least 20% of farming HHs adopting high value crops in consolidated land Sale of at least 50% of high value crops on contractual basis 	KCs administrative records, Surveys, SMEs records, Rural businesses records	KCs become focal points for commercial and technical partnerships

Results Hierarchy	Measure	Source	Assumption
Output 2.1: 55 Knowledge centers established and functional	<ul style="list-style-type: none"> • 55 Knowledge centers rehabilitated/constructed • 55 extension officers from Ministry of Agriculture and irrigation seconded to project • At least one meeting per month per KC with farming HHs, suppliers, buyers, processors and other service providers 	MOAI records, NGO progress report, MOAI work certificates, KCs logbooks/records Input suppliers records Surveys and focus groups	Farmers allowed free crop choice MOAI extension officers remain in project area Input suppliers finance demos
Output 2.2: 4 900 Rural businesses for landless entrepreneurs sustainably implemented	<ul style="list-style-type: none"> • At least 250 CIGs set up for landless entrepreneurs • At least 2 training courses per CIGs • At least 4,900 business plans submitted to financial institutions and financed at affordable cost 	NGO progress reports CIGs admin. records MFI records	<i>Risk:</i> No NGO actively engaged to assist landless entrepreneurs in NPT
Output 2.3: Value chains strengthened	<ul style="list-style-type: none"> • At least 6 value chain analyses undertaken • At least 7 processing plants established in project area (1 for rice and 6 for high value crops) • At least 20% of project-assisted farming HHs engaged in contract farming 	NGO progress reports, SMEs registration record, SMEs by-laws, SMEs financial statements	SMEs/entrepreneurs interested in contract farming with farming HHs
Outcome 3: Financial environment for creation/expansion of sustainable and profitable rural businesses improved	<ul style="list-style-type: none"> • At least 5,000 incremental HHs accessed microfinance products in project area • Farming HHs' indebtedness down by 50% by PY4 • At least 60% of rural businesses and 80% of SMEs operating after 3 years • Selected MFI financially sustainable • At least 90% of LSCIs financially sustainable 	MFI/NGO records, Commercial bank records, PCU financial statements LSCIs records	Commercial banks and MFIs have resources to lend to beneficiaries Financial institutions are actively targeting FARM villages
Output 3.1: Rural businesses and SMEs accessed sustainable financing	<ul style="list-style-type: none"> • 4,900 landless entrepreneurs financed • 7 entrepreneurs financed for processing SMEs • USD 1.4 mln disbursed as grants for SMEs and USD 2.1 mln as contribution from entrepreneurs • USD 0.84 mln disbursed as grant for rural businesses and USD 0.28 mln as contribution from landless entrepreneurs 	PCU financial statements Commercial banks and MFIs financial statements SMEs and rural businesses financial statements	MFI and commercial banks agree to finance rural businesses and SMEs to complement project grant
Output 3.2: Access to rural finance improved	<ul style="list-style-type: none"> • Activities of at least 10,000 HHs financed in project area • At least 1 MFI/NGO with license operating in project area • USD 0.95 mln provided to MFI/NGO as investment grant and/or loan for financing activity • PAR < 10% after 3 years 	MFI/NGO progress reports, MFI/NGO financial statements, SMEs financial statements	MFI willing to deepen outreach in NPT <i>Risk:</i> Political interference hindering loan repayments
Output 3.3: Microfinance outreach extended to at least 5000 households	<ul style="list-style-type: none"> • At least 1 MFI/NGO with license to assist HHs • At least 55 Savings and Credit Institutions • PAR < 5% • One third of SCI leaders are women 	LSCIs financial statements, MFI/NGO financial statements, NGO progress reports,	NGO willing to promote Savings and Credit Institutions <i>Risk:</i> Lack of sufficient capitalization to reach sustainability

Second Project: Eastern States Agribusiness Project

Possible Geographical Area of Intervention and Target Groups

1. The proposed project will cover selected areas of two eastern states (Kayin and Shan). The selection criteria will include agriculture growth opportunities, rural employment prospects, and potential agribusiness linkages. There are substantial unutilised productive resources in these areas which can be developed by, and for the benefit of, the rural poor and marginalised groups.
2. The target groups will consist of poor rural women and men, primarily smallholders and the landless, from various marginalised groups, particularly ethnic groups. Subject to agreement with Government, the project may target former combatants from resolved ethnic conflicts who lack access to productive resources, as well as internally and externally displaced households.

Justification and Rationale

3. The proposed project area is along the East-West Corridor currently under development, which will cross Indochina from the South China Sea to the Indian Ocean (Andaman Sea), and is adjacent to the major trade links between Myanmar and China. As such, the project area has the potential to become a major regional growth hub, driven by agricultural comparative advantage, market demand and growth potential. There is substantial potential to develop smallholder agriculture in these eastern states and to strengthen linkages with agribusinesses in Myanmar, in Thailand and in China. In this respect, the productive and economic rationale for the proposed project is considered to be robust.

Key Project Objectives

4. The project objective would be to improve the economic status of rural women and men in the selected project areas in a sustainable, climate-resilient, and ethnically sensitive manner. The focus would be on marginalised groups such as ethnic groups, former combatants, and returning refugees. As such, the project would cover elements of all three COSOP strategic objectives.

Ownership, Harmonisation and Alignment

5. The proposed project is fully aligned with the Government's development priorities as articulated in its poverty reduction and rural development plan, its social and economic reform framework, and its latest five-year national development plan.
6. The project is aligned with the United Nations Strategic Framework for Myanmar as well as the priorities of many development partners. In view of its additional role as development catalyst, the proposed project would operate in partnership with bilateral and multilateral institutions, NGOs, the private sector and other stakeholders in the country.
7. The project is also aligned with Myanmar's National Adaptation Programme of Action for Climate Change (NAPA) prepared in 2012.

Components and Activities

8. The project would promote smallholder agriculture and may organise the allocation of plots of unutilised agricultural land to target groups who currently lack access to productive land. It would also promote formal and sustainable communal management of territories such as forests and fallow lands by ethnic group

communities. Productive infrastructure would be developed in the selected locations, expected to focus on irrigation, energy and roads. Investments in climate change adaptation and mitigation, and in sustainable ecosystem management, would be made. The project would organise the delivery of technical and financial services to the target groups and would foster commercial agribusiness linkages.

Costs and Financing

9. The total project cost is expected to be in the range of US\$ 50-70 million. IFAD would provide a loan of about US\$ 15 million and would access KEXIM cofinancing (KEXIM commitment for cofinancing in principle has been secured). Efforts would be made to mobilise climate change financing from ASAP, GEF or GCF subject to Government request. The Government, beneficiaries and private sector would also contribute to project costs in cash or kind.

Organisation and Management

10. The lead project agency would be MOAI, operating in partnership with other relevant Ministries such as MOLFRD and MOBA. The precise management and implementation arrangements would be defined jointly with Government during the design process.

Monitoring and Evaluation Indicators

11. The project's monitoring and evaluation indicators would be consistent with key indicators provided in the COSOP Results Management Framework, all disaggregated by gender and ethnicity.

Risks

12. The key risk relates to the degree of Government commitment to investing in eastern states with ethnic groups. The main mitigation measures are development of the East-West corridor which is an irreversible process, and sustained IFAD dialogue with Government throughout design and implementation.

Timing

13. The detailed design mission would be executed jointly with cofinanciers in March/April 2014. Following statutory CPMT and QE processes, the final design mission would be undertaken in July/August 2014. Following subsequent CPMT and QA processes, the project would be submitted to the Executive Board either in December 2014 or April 2015.

CPMT

14. The CPMT members for this project will be the same as those for the FARM project.

Key file 1: Rural poverty and agricultural/rural sector issues

Priority areas	Affected group	Major issues	Actions needed
Low productivity of Agriculture, livestock and fisheries sectors	<ul style="list-style-type: none"> Poor and marginal farmers; Farmers with small (>2ha) and medium (>4ha) landholdings; Landless dependent on livelihoods from farm labour, livestock or subsistence fisheries; Communities dependent on food security and livelihoods from use of natural resources such as forest sand fisheries; Female-headed households are especially vulnerable; National ethnic groups are particularly vulnerable. 	<ul style="list-style-type: none"> High incidence of small land holdings, landlessness in the agriculture production areas; Insecurity of land tenure and user rights; Climate change resulting in increased incidence of severe droughts in the Central Dry Zone (Sagaing, Mandalay, and Magway Divisions), as well as seasonal droughts in other parts of the country such as the border areas and the Ayeyarwady Delta; Food insecurity, particularly on a seasonal basis; Lack of productive farming resources and agriculture inputs including land, irrigation, draught power, equipment, fertilizer and improved HYV seed; Lack of effective water harvesting and management practices; Relatively weak agriculture extension service especially in minority and remoter border areas; Inadequate investment in agricultural research services; Lack of market oriented production – top-down directives on quota for rice production for export; High dependency on a single annual rice crop for main source of income for farmers in many areas; Lack of access to credit, markets, marketing information, trading skills and input supplies; Agriculture value chain is inefficient; Traditional systems of livestock husbandry with high incidence of mortality (poultry) and production inefficiency (pigs, cattle & buffalo); High incidence of animal diseases with limited monitoring and surveillance systems and poor access to vaccination. 	<ul style="list-style-type: none"> Increased public and private sector investment in agriculture and rural infrastructure and services. Development of differential policies for promoting market-driven agriculture and other interventions related to using agriculture as a tool for poverty alleviation. Promote evidence-based policy development for the agricultural sector. Support dissemination of improved crop and livestock production technology for sustainable agricultural intensification and diversification. Support community seed production for multiplication of the foundation seed at the farm level Strengthen linkages between agricultural research and extension services Build links with the private sector for marketing, input supply and other services. Introduce cash-for-work programme to provide rural employment and reduce rural poverty. Focus on integrated farming system to promote livestock development. Strengthen the capacity of the agriculture extension service and livestock agent Promote income generation of resource poor household through on – farm and off – farm activities. Promote climate change adaptation practice at community level Promote evidence-based policies and action plans for adaptation to climate change Strengthen the role of water user community for O&M of the irrigation scheme Promote local planning of seasonal cropping based on farmers' preferences and collaboration among scheme operators, water user groups and farmers. Review of the Current Water Charges Creation of an Enabling Environment for the Formation of Water User Associations Establishment of a Water Resource Management System Enhanced training for extension staff in participatory approaches to planning and implementation of irrigation projects; Improved access to credit for rural poor to enable them to pay water charges and fees.
Irrigation	<ul style="list-style-type: none"> Poor and marginal farmers, especially those with small (>2ha) landholdings and female headed households; Landless, especially female headed households dependent on livelihoods from farm labour; National ethnic groups. 	<ul style="list-style-type: none"> Severe water scarcity in some areas, e.g. Mandalay, Sagaing, and Magway Divisions, and seasonal water constraints elsewhere in the country – e.g. parts of Bago and Yangon divisions, as well as Kachin and Shan States; Poor operations and maintenance of irrigation schemes; Provision of irrigation facilities not well-supported by extension and agricultural research services; Lack of water management and water catchment strategies; Strict cropping pattern required by government for those receiving irrigation, limiting farmers' choices in selection of appropriate cropping patterns; Absence of an enabling environment for the formation of effective water users associations; Absence of sufficiently experienced technical and facilitating staff in participatory planning, management and training; Inadequate financial capacity of farmer and water users to 	

Priority areas	Affected group	Major issues	Actions needed
Rural Finance	<ul style="list-style-type: none"> Poor and marginal farmers, especially those with small (>2ha) landholdings; Landless dependent on livelihoods from small businesses, livestock or subsistence fisheries; National ethnic groups 	<p>pay water charges and fees.</p> <ul style="list-style-type: none"> High incidence of debt distress; The poor are still largely dependent on high cost informal credit; Extreme shortage of credit shrinks bargaining power of the poor farmer Household indebtedness is high and rising; Formal micro-finance fails to reach poorest HHs; Lack of finance limits option for improved agricultural production; Self-help requires more than credit but provision of livelihood promotion services need to be developed. Financial viability of SRG-bank linkage and of other micro-finance initiatives is poor but starting. Legislation to nurture the sector has been passed but not as yet fully implemented. Targeting the poorest for micro-finance will require addressing the issues of vulnerability and risk, especially measures to re-capitalise the poorest households. Limited opportunities for off-farm income diversification. 	<ul style="list-style-type: none"> Provide inputs (in kind and cash) to groups of poor households, with repayments used to establish self – help group or savings and credit groups to finance investments and for emergencies. Development of a national institutional framework and schemes for providing rural credit, micro-finance and group lending, especially for women. Fostering development of second tier organizations of SRGs – federations to take over support and promotional tasks and to provide a stronger base for lobbying for entitlements of the poor. Institutional development of intermediary and support organizations such as NGOs, banks, training institutions and apex organizations. Promote off – farm activities that add value to agricultural, fisheries and non-timber forest products e.g. simple processing, grading etc. Provide appropriate vocational skills training. Promote flow of information on off-farm income diversification opportunities. Build linkages with the private sector.
Gender Disparities	<ul style="list-style-type: none"> Women and women-headed households especially poor and marginal farmers from national ethnic groups; Women and women-headed landless households, especially those dependent on livelihoods from small businesses, livestock or subsistence fisheries. 	<ul style="list-style-type: none"> Low participation by women in economic activities Lack of participation by women in decision-making bodies at local (village and village-tract) levels; Lack of participation by women in elected bodies at regional and national levels; Poor access to assets, especially land and livestock; Lack of access to formal and informal credit facilities; Heavy burden on women to collect water and fuel wood Lack of opportunities for off-farm IGA. 	<ul style="list-style-type: none"> Empowerment of women in social and community affairs through membership of SRGs, village councils, etc. Capacity building for leadership and management for both men and women. Policies and programmes to promote equitable access to land and other productive assets for both men and women. Enhanced and equitable education, literacy, skills and income generation training for both men and women rural poor. Improved and equitable access to financial services for both men and women rural poor. Reduce women's workloads by improving access to water and fuel wood and labour saving technologies for rural poor.

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

21

ORGANISATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES/THREATS	REMARKS
Enablers				
1. Ministry of Agriculture and Irrigation	<ul style="list-style-type: none"> Potential to take considerable action once convinced; Composed of a number of departments covering a range of agricultural related issues; Synergies between different departments under one umbrella Ministry; Strong national network covering all agro-ecosystems; Good network of facilities located in all agro-ecological regions; Strong senior cadre of committed managers. 	<ul style="list-style-type: none"> More priority on production than on policies and service delivery; Top down and ad hoc approaches to planning and decision-making; Lack of transparency in budgets; Decision making centralized Poor coordination with other line agencies including forestry, livestock and fisheries; Lack of investment in service delivery and facilities; Emphasis on production rather than on food security, especially in CPF; Paucity of new qualified and skilled personnel to replace retiring staff; Centralised decision-making not responsive to local priorities. 	<ul style="list-style-type: none"> CPF provides for coordinated approach to farming systems under one Ministry; Potential for a more strategic approach to planning in CPF; Climate change: unusual rainfall patterns, salinization, flooding, drought; National Economic problems are likely to impact on further investment in agriculture; Lack of investment in educational institutions will reduce availability of qualified staff; Potential for conflict with other natural resource based Ministries e.g. Forestry, Fisheries. 	<ul style="list-style-type: none"> Has potential to be a strong partner for IFAD investment in Myanmar; New Government may positively influence role of MOAI in rural development; CPF offers a potential strategic and systematic approach to agricultural development; NCDP, FESR and PARDAP provide a vision for inclusive rural development in Myanmar.
Potential partner agencies within MOAI:				
a. Department of Agriculture (DOA)	<ul style="list-style-type: none"> Committed staff keen to help poor farmers; Presence of staff at all levels of governance in country; Ability to take a farming systems approach to extension Linkages with DAR (for research and YAU (for training) Townships and District Agricultural Supervisory Committee provides opportunity for coordination with other Government agencies and local councils. Technical expertise in land-use planning in Land Use Division. 	<ul style="list-style-type: none"> Lack of investment has resulted in a decline of number and quality of extension staff; Lack of well-trained personnel with participatory skills; Insufficient resources for effective field visits. 	<ul style="list-style-type: none"> Successful implementation of CPF would provide opportunity for coordinated action; Continued lack of availability of qualified extension personnel; Under-resourced department unlikely to be able to meet demand for extension services. 	<ul style="list-style-type: none"> Potential partner in helping to provide extension services for IFAD project(s); Potential partner in giving farmers choice in selection of economically viable crops best suited to local conditions; Potential for partnerships with civil society in delivery of extension services. Potential to build on coordination at village tract and township levels. Potential to promote local level land use planning, working with SLRD and local councils.
b. Department of Agricultural Planning (DAP)	<ul style="list-style-type: none"> Commitment of staff, desire to really help the poor; Well-trained senior staff; Potential for coordinating different departments in MOAI. 	<ul style="list-style-type: none"> Few well-qualified staff to replace retiring managers; Tends to be Nay Pyi Daw focused with little feel for regions. 	<ul style="list-style-type: none"> Move to Nay Pyi Taw likely to increase distance from farmers; Emphasis on policy influenced by politics rather than realities in the field New post-election Government structures may allow for better responsiveness in planning for regional needs. 	<ul style="list-style-type: none"> Potential partner in coordinating IFAD activities with other Depts. of MOAI; Can help to ensure lessons from projects are fed back into the policy development process at the national level.
c. Irrigation Department (ID)	<ul style="list-style-type: none"> Technically qualified and committed staff; Potential for strong linkages with other MOAI departments and with Local Authorities; 	<ul style="list-style-type: none"> Tendency to take a technological approach to delivery of services Lack of financial resources for investment in irrigation facilities and service delivery; Lack of a farming systems and water management approach; 	<ul style="list-style-type: none"> Climate change likely to increase demand for irrigation but will reduce consistent supply of water; Potential for good coordination with other line depts. under MOAI; Poor coordination with other line agencies such as forestry; 	<ul style="list-style-type: none"> Potential partner in giving farmers choice in selection of economically viable crops best suited to local conditions in cooperation with DOA; Potential partner in IFAD projects to provide irrigation and supporting services to poor farmers.

ORGANISATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES/THREATS	REMARKS
d. Settlement and Land Records Department (SLRD)	<ul style="list-style-type: none"> Potential ability to coordinate land tenure issues with agricultural priorities; Ability to work with other MOAI depts. to foster a farming systems approach; Mandate allows for a systematic approach to land-use planning. 	<ul style="list-style-type: none"> Lack of trained personnel with participatory skills. Land tenure insecurity linked to failure by farmers to comply with top-down cropping directives; Political imperatives can influence access to land; Land-use decisions are made on an ad hoc basis. 	<ul style="list-style-type: none"> Potential for conflicting demands for water. Lack of a national land policy that defines user rights and assures security of tenure; At local level, security of land tenure at whim of local officials 	<ul style="list-style-type: none"> Will play a key role in linkage between security of land tenure for farmers and their choice of cropping patterns. Potential to work with DOA in land-use planning.
e. Water Resources Utilization Department (WRUD)	<ul style="list-style-type: none"> Ability to work with other MOAI depts. to foster a farming systems approach; Mandate allows for a systematic approach to water resources planning 	<ul style="list-style-type: none"> Lack of a planned and strategic approach to water management and water catchment; Tendency to take a technological approach to delivery of services; Lack of investment in water resources; 	<ul style="list-style-type: none"> Climate change likely to increase incidence of droughts and floods; Potential for conflicting demands for water; Poor coordination with other line agencies such as forestry; • 	<ul style="list-style-type: none"> Potential partner in IFAD projects to provide access to groundwater and supporting services to poor farmers.
f. Yezin Agricultural University (YAU)	<ul style="list-style-type: none"> Highly committed staff but the more experienced are now retiring; Close links with other MOAI depts. can foster a cooperative approach; 	<ul style="list-style-type: none"> Knowledge of teaching staff outdated; Poor teaching and research facilities; Lack of young trained staff to take over from retirees; Lack access to external knowledge and resources; Poor infrastructure. 	<ul style="list-style-type: none"> Lack of investment by Government in infrastructure 	<ul style="list-style-type: none"> Neglect of national education institutions aggravated by international sanctions
g. Dep. of Agricultural Research (DAR)	<ul style="list-style-type: none"> Highly committed staff but the more experienced are now retiring; Strong foundation of applied research in the past; Network of agricultural research stations throughout the country; Strong links with DOA. 	<ul style="list-style-type: none"> Lack of young well-trained staff to take over from retirees; Lack of investment has resulted in a decline of number and quality of research staff; Lack of investment has resulted in a decline of research facilities; Lack of access to external knowledge and resources. 	<ul style="list-style-type: none"> Research driven by political priorities rather than by needs of farmers; Climate change offers both an opportunity (for adaptation) and threat (need for a new mind-set). 	<ul style="list-style-type: none"> Potential partner for IFAD project in selection and development of cultivars best suited to local conditions; Neglect of national research institutions aggravated by international sanctions
Ministry of Finance and Revenue	<ul style="list-style-type: none"> Main Government financial institution that has oversight of the Myanmar economy Central bank is now independent because of reforms; Financial and economic reforms provide a foundation for inclusive economic growth. 	<ul style="list-style-type: none"> Poor absorptive capacity to utilise new investment; Lack of skilled human resources; Poor institutional capacity; Segregated from economic planning processes Centralised decision-making being addressed to improve responsive to local priorities. 	<ul style="list-style-type: none"> As a Myanmar Government institution, the MoFR is subject to international sanctions. New parliamentary structure may improve transparency of budgetary processes. 	<ul style="list-style-type: none"> The sanctions on Myanmar mean that the MoFR cannot be a partner institution for management of IFAD funds.
Ministry of Livestock and Fisheries	<ul style="list-style-type: none"> Technically qualified and committed staff; Some laboratory services; Provides vaccination service in some areas of the country; Ability to respond to major disasters (e.g. Nargis) to help replace lost livestock; Fisheries is a major export sector Fishing legislation supports sustainable and equitable use of resource on paper; Good extension services in some areas 	<ul style="list-style-type: none"> Infrastructure is outdated and suffers from lack of investment; Lack of qualified younger staff Lack of resources for surveillance of major animal diseases; Fishing licensing system does not support small-scale fisheries; Centralised decision-making not responsive to local priorities; Lack of effective implementation of national legislation at local levels. 	<ul style="list-style-type: none"> CPF provides a direction for future for livestock and fisheries; CPF recognises lack of human resources and provides for capacity building but resources not certain; Threat from too strong an emphasis on export sector for fisheries; Threats to livestock sector from increasing incidence of disease. 	<ul style="list-style-type: none"> Potential partner for alternative IGAs for landless in livestock production.

ORGANISATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES/THREATS	REMARKS
	of the country;			
Ministry of Environmental Conservation and Forestry	<ul style="list-style-type: none"> Umbrella organization for all forest related activities – conservation and sustainable management of forest and biodiversity estate; Technical competence at national level; Extension services reach down to local level; History of working with local NGOs in community forestry; Forestry Instruction (1995) allows for community forestry. 	<ul style="list-style-type: none"> Lack of coordination with other Government agencies in natural resource management; Inability to implement forestry legislation in some remoter parts of country; Centralised decision-making not responsive to local priorities; Lack of transparency in statistics on forest estate and illegal logging; 	<ul style="list-style-type: none"> CPF provides for sustainable management of forest resources, forest plantations, and for IGAs for rural poor; CPF does not address problems with lack of coordination with other sectoral agencies; 	<ul style="list-style-type: none"> Poverty root cause of deforestation and so MOECAF needs to work closely with MOAI; Could be a potential partner for IFAD (with MOAI) in providing IGAs and greening of CDZ project areas;
Service Providers				
Myanmar Agricultural Development Bank (MADB)	<ul style="list-style-type: none"> Sole financial institution permitted to loan money to farmers Network of branches all over the country down to township level Staff know local conditions 	<ul style="list-style-type: none"> Need to streamline loan procedures Too much bureaucracy Weak credit assessment Funding constraints limit loans to poor farmers; Access to loans is not equitable. 	<ul style="list-style-type: none"> Enhancement of institutional capacity needed Policy of requiring immediate repayment of loans creates severe burden on farmers 	<ul style="list-style-type: none"> MADB retains monopoly on agric. Credit Could be a potential partner for IFAD funds but this is subject to sanctions.
FAO	<ul style="list-style-type: none"> FAO presence in Myanmar since 1978; Good working relationship with Government – trusted partner; Sound local knowledge and works throughout the country; Good partnership with MOAI, MOLF, and MOECAF; Assisted the Government to prepare NMTPF and CPF; Experience of managing agricultural projects; UN agency with a mandate to work with Government. 	<ul style="list-style-type: none"> Experience more with technical implementation; High level of technical and overhead costs; Substantial reliance on international consultants for TA; Lacks close relationships with local NGOs; Does not share information easily with other donors; Both NMTPF and CPF lack consultation with stakeholders; 	<ul style="list-style-type: none"> Previous history of working with IFAD in other countries; Government favours FAO as IFAD partner but concerned about costs; Potential for negotiating acceptable terms for IFAD assistance; Would provide strong linkages with NMTPF/CPF and UNCT country strategic framework for 2012-15; 	<ul style="list-style-type: none"> Could provide both technical support (with a cost); Strong complementary with IFAD for technical support in procurement and infrastructure development, financial management, and oversight. Potential partner for strategy development for agriculture and rural development.
UNOPS	<ul style="list-style-type: none"> Good experience of fund management in Myanmar; Manages 3MDG and LIFT funds; Able to provide financial and project services; Core support staff based in Yangon. 	<ul style="list-style-type: none"> Lacks technical expertise in agriculture; No existing strong links with MOAI, MOBA or MOLF. 	<ul style="list-style-type: none"> Previous history of working with IFAD in other countries; Provides potential linkages with LIFT; Linkage with country strategic framework for 2012-15 for IFAD. 	<ul style="list-style-type: none"> Could be a potential partner for procurement, project management and financial management;
WFP	<ul style="list-style-type: none"> Experience of food security situation across Myanmar Experience of vulnerability analysis in country Strong human and technical resources needed for surveys Has worked with MOAI in past Strong links with INGO sector 	<ul style="list-style-type: none"> Seen by the government as a UN watchdog on food security issues and human rights Links with local NGOs and CBOs are not as strong Some activities are restricted by Government; Focus is on food aid to tackle food insecurity. Does not have strong links with MOBA. 	<ul style="list-style-type: none"> Keen to work with IFAD on poverty and vulnerability analysis in project areas Provides linkage with UNCT country strategic framework for 2012-15 for IFAD 	<ul style="list-style-type: none"> A potential partner for IFAD in carrying out a baseline poverty and vulnerability analysis in CDZ for selection of project areas and beneficiaries
UNDP	<ul style="list-style-type: none"> Experience with HDI since 1994 ICDP operational in townships in 23 townships, including some in CDZ Focus is on the poor in rural areas – 	<ul style="list-style-type: none"> Spread very thinly over country so CDZ experience is limited Previous Programme addressed five areas and lacked focus 	<ul style="list-style-type: none"> HDI experiences provide lessons and best practices for IFAD Body of evidence in building social capital through SRG – experiences + skilled 	<ul style="list-style-type: none"> A potential partner for IFAD in carrying out baseline poverty and vulnerability analysis in CDZ for selection of project areas and beneficiaries, and a partner

ORGANISATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES/THREATS	REMARKS
	<ul style="list-style-type: none"> marginal farmers and landless Experience with microfinance in 22 townships Solid body of experience in working with poor - documented through annual IAM reviews Experience in working with Government agencies Experience of strengthening community-based groups. New country programme now approved 	<ul style="list-style-type: none"> Resources are insufficient for the areas addressed Sustainability is not assured – relies too much on donor inputs No Government ownership of HDI programme Lack of a policy / legislative framework that would allow replication in other areas Tension with donor community in coordinating donor activities. 	<ul style="list-style-type: none"> people Government tolerates community-based activities of HDI providing for acceptance of IFAD targeting of rural poor HDI activities were subject to annual IAM reviews and continuity of UNDP support was not assured – this will be rectified in the full-scale country programme New country programme developing partnership with the Government 	for implementation activities. IFAD project in CDZ could complement UNDP activities
LIFT programme	<ul style="list-style-type: none"> MOU with Government allows LIFT to operate throughout country Funding approved for livelihoods and food security projects in CDZ Works through national and international NGOs Building on previous experience to forge partnerships with Government agencies since lifting of sanctions. 	<ul style="list-style-type: none"> Multi-donor consortium means that donor priorities may not always concur 	<ul style="list-style-type: none"> Focus is on livelihoods and food security and on rural poor – allows for partnership with IFAD LIFT consortium involves many donors – both an opportunity for partnerships and a threat in terms of continuity of funding Assured funds have been less than requested but lifting of sanctions offers new opportunities. 	<ul style="list-style-type: none"> LIFT keen to work with IFAD and other UN agencies LIFT plans in CDZ would complement IFAD project Funding mechanism provides a model for IFAD project
INGOs	<ul style="list-style-type: none"> Some agencies (e.g. ActionAid) have good track record of working with Government; Solid experience of working with communities in Myanmar; Good participatory skills; Some have a wide geographical coverage, including CDZ; Mix of international and national staff in INGOs; Work well with LIFT (a potential partner for IFAD); Work well with local government. 	<ul style="list-style-type: none"> Some activities were restricted by Government in the past; Some did not have trust of old Government; Some restrictions on where they can work in the country; Some challenges in working with UN agencies in the country; Lack of experience in managing size of funds such as the IFAD loan 	<ul style="list-style-type: none"> Some degree of trust built up since Nargis with Government; Distrust of INGOs amongst some parts of Government; No solid linkage with UNCT activities in Myanmar; 	<ul style="list-style-type: none"> Some INGOs could be potential partners in delivery of services to communities in IFAD project areas. Some INGOs, e.g. SCF could be potential partner for baseline poverty and vulnerability assessments in CDZ. Selection of potential INGO partner to be done with MOAI.
Local NGOs	<ul style="list-style-type: none"> Strong commitment to empowering communities; Some have teams of committed young people and retired Government officials able to work with national line agencies; Work well with Local Authorities. Good knowledge of local conditions; Generally have trust of local communities 	<ul style="list-style-type: none"> Lack of capacity in technical areas and participatory planning; Lack of financial, technical and human resources; Some NGOs are subject to political pressures; Some NGOs are controlled by Govt. Lack of project management and financial management skills. 	<ul style="list-style-type: none"> Experiences with Nargis have fostered trust between NGO community and Government; Nargis has built capacity of local NGOs for development activities; 	<ul style="list-style-type: none"> Since cyclone Nargis more room and freedom to work
Client Organisations				
Formal Village Institutions: Village and township level development committees formed as a result of recent changes to the Village/tract administration law	<ul style="list-style-type: none"> Strong links with local communities; Sound local knowledge; Support of national Government institutions; Personnel committed to local communities Townships and District Agricultural Supervisory Committee provides 	<ul style="list-style-type: none"> Lack of capacity and trained human resources Lack of financial resources – dependent on national Government for funding Local level development committees have little experience; Not clear if officials will be elected or not Subject to national directives. 	<ul style="list-style-type: none"> New constitution and changes in legislation give formal local institutions more powers; Potential for role in participatory rural development; Potential conflict between local and military priorities in some areas; Potential for fostering partnerships between donors and Local development 	<ul style="list-style-type: none"> LIFT projects able to work with Local Government; Potential partner for delivery of IFAD project services to communities; Potential to build on existing coordination structures at village tract and township levels Government reforms and decentralisation provide opportunities

ORGANISATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES/THREATS	REMARKS
	opportunity for coordination between relevant Government agencies and local councils and authorities.		committees	for working with local government
Informal Village Institutions Farmers associations Water-user groups Self-reliance groups (SRG)	<ul style="list-style-type: none"> • Based on strong social capital; • Strong commitment to local issues; • Trusted by local communities; • Often associated with religious communities; • Ability to mobilise assistance in emergencies; • Brings private sector and local communities together • Sound local knowledge. 	<ul style="list-style-type: none"> • May lack Government support; • Lack organization and outside support at present; • Subject to pressure from local authorities and Peace and development councils; • Lack of capacity and resources – financial, human, etc. 	<ul style="list-style-type: none"> • Changing political situation may provide a stronger role for informal institutions. • Major role in participatory rural development; • Strengthen ability of community members to interact with Government agencies and outside service providers. • Legislative changes provide opportunities for formation of local level informal organizations. 	<ul style="list-style-type: none"> • Social capital provides a solid foundation for water user groups, women's organizations, and farmers' associations • UNDP programme on HDI offers some lessons and best practices for IFAD. • Government reforms and decentralisation provide opportunities for working with local informal organisations.

Key file 3: Complementary donor initiative/partnership potential

Key file 3

EB 2014/111/R.6

26

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarities /Synergy Potential
UN Family				
UNCT	<ul style="list-style-type: none"> UN Strategic Framework (2012-2015) provides a framework for coordinated UN assistance to Myanmar. 	Four strategic priorities: <ol style="list-style-type: none"> 1. Encourage inclusive growth (both rural and urban), including agricultural development and enhancement of employment opportunities. 2. Increase equitable access to quality social services 3. Reduce vulnerability to natural disasters and climate change 4. Promote good governance and strengthen democratic institutions and rights 	2012-2015	<ul style="list-style-type: none"> Potential for partnerships and synergies with UNCT on strategic priorities 1 (poverty alleviation in rural areas of CDZ), 3 (climate change adaptation) and 4 (policy advocacy).
WFP	<ul style="list-style-type: none"> Agricultural/rural development; Health Education 	<ul style="list-style-type: none"> Relief food assistance to the victims of small scale and medium scale natural disaster. Nutrition support for people living with HIV and TB Mother and child health and nutrition Basic education and early childhood development Integrated livelihood support programme Support small holder purchases and development of government/partner capacity 	January 2010 – December 2012	<ul style="list-style-type: none"> Strong complementarities with IFAD programmes and high potential for collaboration in the Central Dry Zone and upland area, where WFP is currently operating Provide technical expertise to assist the Vulnerability Assessment of the Central Dry Zone
UNDP	New Country Programme focuses on 3 pillars: <ul style="list-style-type: none"> Transition from HDI to sustainable community development; Climate change, environment and DRR; Policy advice and review on poverty reduction and democratic governance 	Old HDI focused on activities such as: <ul style="list-style-type: none"> Strengthen village community institutions Strengthen Local Community Based organizations Capacity building for local communities on basic social needs such as health, education, HIV/AIDS Assist communities to gain access to cultivable land and land development, agriculture inputs and tool. Community forestry activities. Provision of micro finance through NGOs; Renewed focus on Climate change, environment and DRR Support policy dialogue and discussions with development partners. 	2013-2015	<ul style="list-style-type: none"> Complementarities with IFAD programmes and high potential for collaboration in community dev. and micro finance. Potential for lessons and best practices from HDI projects, esp SRG for IFAD initiatives. Assessments of Integrated Household Living Conditions Regular review of Agricultural Sector, with FAO. Experience with self-reliance groups (SRG). Potential for strong linkages with Pillars I and III of 2013-2015 country programme.
FAO	<ul style="list-style-type: none"> Agriculture / rural development Health 	<ul style="list-style-type: none"> Support for sustainable agriculture and rural livelihoods in Northern Rakhine State; Capacity building and technology adoption for sustainable food security and the Wa Special Region; Support for ex-poppy farmers and poor vulnerable families in the border areas; Preparation of a National Medium Term Priority Framework and a Country Programme Framework; Support income generation of coffee small holders, oilseed crops farmer and oil palm small holders, and dairy farmers; Strengthening the capacity and upgrading the Forest Research Institute; Avian Influenza programme 	2012-2016	<ul style="list-style-type: none"> Strong complementary with IFAD for technical support and policy intervention at higher level Strong complementarities with IFAD programmes and high potential for collaboration in the Central Dry Zone.
UNOPS	<ul style="list-style-type: none"> Multi-sectoral programme management Food Security & 	<ul style="list-style-type: none"> Increasing agricultural production Diversifying income sources (primarily, but not only for landless) Improvements in nutrition and hygiene 	2010-2013	<ul style="list-style-type: none"> Strong complementarities with IFAD programmes and high potential for collaboration in the Central Dry Zone

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarities /Synergy Potential
	Livelihoods • Health • Rural infrastructure	<ul style="list-style-type: none"> Improved social protection measures in place Improvements in the enabling environment for food security and livelihoods, Reduce the burden of communicable disease mortality and morbidity for Tuberculosis (TB), Malaria and HIV and AIDS Turnkey project management & procurement of goods and services 		<ul style="list-style-type: none"> Strong complementary with IFAD for technical support in procurement, project management, financial management, and oversight
UNODC	Drug control	Supporting alternative livelihoods to opium production	On going	
ILO	Labour rights	<ul style="list-style-type: none"> Labour migration Social protection and discrimination Child labour and forced labour Assist Government with formulating legislation on trade unions and workers' rights 	On going	<ul style="list-style-type: none"> Potential for complementarities with IFAD in terms of ensuring that only voluntary paid labour is used for irrigation infrastructure and other project activities; Help to monitor land tenure and user rights in IFAD project areas.
UNAIDS	Health	<ul style="list-style-type: none"> AIDS policies and briefs Drivers of the epidemic Gender Greater Involvement of People Living with HIV/AIDS HIV care and support HIV prevention HIV testing and counselling HIV treatment Human rights Key populations Monitoring and evaluation Resources and funding for AIDS Science and research Security / humanitarian response to AIDS Sexual and reproductive health Stigma and discrimination TB/HIV The Impact of the Global Economic Crisis on HIV Prevention and Treatment 	On going	
UNHCR	<ul style="list-style-type: none"> Humanitarian assistance Refugees 	<ul style="list-style-type: none"> Builds houses, peace of mind for Cyclone Nargis victims Protect refugees and resolve refugee problems 	On going	
UNICEF	<ul style="list-style-type: none"> Health & Nutrition HIV/AIDS Education Water & Sanitation Child Protection Communication 	<ul style="list-style-type: none"> Work to protect children from many deadly diseases, improve their access to healthcare and essential drugs, and enhance their mental and physical development. Work to empower children, youth and women to protect themselves against HIV/AIDS, and help ensure that people infected with and affected by HIV/AIDS are supported. Work to help primary school children receive a quality education, and to help ensure that children are being taught fundamental life skills in the classroom. Work to increase children's access to safe drinking water and sanitary facilities, and to ensure that more children in disadvantaged areas are being taught safe hygiene habits. Work to protect women and children from trafficking, exploitation and 	On going	<ul style="list-style-type: none"> Potential for complementarities with IFAD projects in terms of improved incomes, food security and nutrition for rural poor. Potential for synergies in capacity building activities for communities

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarities /Synergy Potential
		<ul style="list-style-type: none"> abuse. Works to enhance the quantity and quality of child-focused media available to families in Myanmar, and to increase families' knowledge of beneficial care practices. 		
UN-HABITAT	Water Sanitation and Infrastructure, urban development and land records	<ul style="list-style-type: none"> Support for Coordination of Early Recovery Shelters The Mekong Water and Sanitation Initiative Agreement with the government on DRR and DRM Urban and regional development; Working with Settlement and Land Records Dept. to modernise land tenure title records and cadastral maps. 	On going	<ul style="list-style-type: none"> Potential for cooperation with IFAD on land tenure rights and DRR
UNFPA	Health	<ul style="list-style-type: none"> Support to its partners focuses on reducing maternal mortality Preventing the spread of HIV 	On going	<ul style="list-style-type: none"> Potential for complementarities with IFAD projects in terms of improved maternal and child nutrition, and empowering women.
World Bank	Interim Strategy Note (2013-14)	<ul style="list-style-type: none"> Pillar I: Transforming Institutions – institutional strengthening for the government; Pillar II: Building Confidence in ability of current reforms to deliver benefits to the people; Pillar III: Preparation for resumption of full country programme for Myanmar. Grant programme for national community-driven development (CDD) of \$85million. 	2013-2014	<ul style="list-style-type: none"> Potential for working with community development programme and also with Pillar I of ISN on institutional strengthening. Experiences of CDD provide opportunities for joint activities and learning from experiences Carrying out Public Expenditure and Financial Accountability Assessment (PEFA) and Public Expenditure Review (PER) – useful for future IFAD investment
Asian Development Bank	Interim Re-engagement Strategy for Myanmar	<ul style="list-style-type: none"> Building human resources and capacities in ADB's areas of focus; Promoting an enabling economic environment; Creating access and connectivity in rural livelihoods and infrastructure development. 	2012-2014	<ul style="list-style-type: none"> Potential for working with IFAD programme in strengthening human resources, promoting an enabling environment, and improving access to services for rural livelihoods Sector assessments provide useful materials for IFAD project design
WHO	Health	<ul style="list-style-type: none"> Prevention and control of Communicable Diseases Health System Development Child, adolescent and Reproductive Health Non-Communicable Diseases and Mental Health Country Health Profile. 	On going	<ul style="list-style-type: none"> Potential for complementarities with IFAD projects in terms of improved nutrition, and health.
Donor Agencies				
Diseases Fund (3DF) now expanded to 3MDG Fund	Health	Reduce the burden of communicable disease mortality and morbidity for Tuberculosis (TB), Malaria and HIV and AIDS – now includes maternal and child health	On going	
Japan (JICA / JBIC)	<ul style="list-style-type: none"> Agricultural/rural development; Education; Health Provides grant aid, technical assistance, loans, and assistance through regional organizations 	<ul style="list-style-type: none"> JBIC provided bridging loans of \$900 million to clear WB and ADB arrears in January 2013 Eradication of Opium Poppy cultivation and improvement of drug law enforcement Agriculture extension human resource development Nutrition and child health Malaria control Rural Water supply in the Central Dry Zone Education, training, scholarship programme to government staff 	On going	<ul style="list-style-type: none"> Recent discussions between JICA and IFAD have focused on possibilities to have collaboration in the Central Dry Zone.

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarities /Synergy Potential
	<ul style="list-style-type: none"> Encourages private sector investment by Japanese companies 	<ul style="list-style-type: none"> Rehabilitation of the Yangon port and main inland water transport facility Technical support to fishery and livestock sector Climate change early warning system Community reproductive health Social welfare administration Animal disease control Study on sustainable agriculture and rural development for poverty reduction programme in the Central Dry Zone 		
The UK - DFID	<ul style="list-style-type: none"> Humanitarian Aid – Nargis and other areas; Non-humanitarian aid 	<ul style="list-style-type: none"> Health Rural development Education Civil society strengthening Environment 	On-going – now also contributing to LIFT	<ul style="list-style-type: none"> Potential for learning from experiences in environment (forestry) and rural development Potential for learning / synergies from policy advocacy experiences
Swiss Agency for Development and Cooperation SDC	<ul style="list-style-type: none"> Humanitarian Aid 	<ul style="list-style-type: none"> Access to and quality of social infrastructure and networks among vulnerable communities in the Delta, eastern of Myanmar and in/around the Myanmar refugee camps Food and livelihood security of internally displaced persons (IDPs), host communities and ex-poppy farmers 	On going	
The EU's Humanitarian Aid Department (ECHO)	<ul style="list-style-type: none"> humanitarian aid Heath 	<ul style="list-style-type: none"> Nargis emergency Health care, sanitation, and malaria projects benefiting the most vulnerable victims of the crisis inside Burma/Myanmar as well as refugees along the border in Thailand 	On going	
The EU	<ul style="list-style-type: none"> Food Security & Livelihoods Rural development Health Rural infrastructure 	<ul style="list-style-type: none"> Increasing agricultural production Diversifying income sources (primarily, but not only for landless) Improvements in nutrition and hygiene Improved social protection measures in place Improvements in the enabling environment for food security and livelihoods. 	On going	<ul style="list-style-type: none"> Potential for complementarities with IFAD projects in terms of rural development and assisting rural poor (once Government approves LIFT activities in rest of country).
KOICA	<ul style="list-style-type: none"> Agriculture ICT 	<ul style="list-style-type: none"> A specialised laboratory in upper Myanmar to develop the agriculture sector and improve irrigation Myanmar ICT Development Master Plan Study of Fuel production The central dry zone Training programme on Hydro-graphic Survey 	On going	
US	<ul style="list-style-type: none"> Support for political and economic reform Democracy promotion Humanitarian 	<ul style="list-style-type: none"> Income generation, Micro credit, Livelihood, health, and sanitation improvement May also contribute to LIFT Future programme details to be announced 	On-going and expanding in the future	<ul style="list-style-type: none"> Potential for cooperation on projects in CDZ
LIFT Progr. Livelihoods and Food Security Trust Fund.	<ul style="list-style-type: none"> Food and livelihood security of the poorest and most vulnerable populations 	<ul style="list-style-type: none"> Agriculture production support for poor households; On-farm and off-farm market and employment support for target populations; Social protection measures for poor; Capacity building for local organizations to support livelihoods and food security; Support for poor households for nutrition and hygiene. 	Five year programme: 2009-2014	<ul style="list-style-type: none"> Donor Consortium of the LIFT Fund comprises Australia, the European Community, the Netherlands, Sweden, Switzerland, New Zealand and the UK – others also joining in. Initial focus on Nargis-affected areas but now expanded to other food insecure areas, including the CDZ- potential for collaboration on food security, poverty alleviation and capacity building

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarities /Synergy Potential
Coordination Mechanisms				
Thematic Group on Food Security and Agriculture in Myanmar (TGFSA)	<ul style="list-style-type: none"> Food security Agriculture Assist Myanmar achieve MDG1 	<ul style="list-style-type: none"> Forum for coordination of activities of UN system, donors, and INGOs in agriculture/ food security Coordination of needs assessments for food security and poverty Design and implementation of strategies for food security and agriculture in specific areas Sharing experiences and lessons learned Information management on food security and agriculture 	Five years – to align with NMTPF	<ul style="list-style-type: none"> Provides a mechanism of coordinating IFAD activities with poverty alleviation and food security activities of other development partners in the CDZ and nationally. A constraint is that Government agencies are not members of the TGFSA Presence at township level would also help in coordination activities with Local Authorities
Food Security Working Group (FSWG)	<ul style="list-style-type: none"> Food security Livelihoods Poverty alleviation 	<ul style="list-style-type: none"> Learning and exchange on best practices on food security Promote access to knowledge on new areas for improved food security and livelihoods Networking and collaboration Advocacy to help voice local issues at national level. 	On-going	<ul style="list-style-type: none"> Provides a mechanism of coordinating IFAD activities with poverty alleviation and food security activities of national NGOs and INGOs
INGOs				
Action Against Hunger	Humanitarian Assistance	Life-saving programs in nutrition, food security & livelihoods, and water, sanitation, & hygiene	On going	
Action Aid	Human Right	Activist rights to food, shelter, work, education, healthcare and a voice in the decisions making.	On going	<ul style="list-style-type: none"> Potential for synergies with IFAD projects in terms of improved extension services and utilisation of irrigation facilities in CDZ; Potential for synergies with IFAD projects for capacity building for participatory planning activities in CDZ.
ACTED	<ul style="list-style-type: none"> Humanitarian Assistance Micro finance Health Education 	<ul style="list-style-type: none"> Emergency relief Food security Health promotion Education and training Economic Development Micro finance Advocacy, institutional support, regional dialogue Cultural promotion 	On going	
Basic Human Needs Association	<ul style="list-style-type: none"> Grass-roots Telecom infrastructures 	<ul style="list-style-type: none"> Medical Radio Network Telemedicine Humanitarian Community Radio Other VHF radio network ICT vocational training for local people Installation of PBX at rural medical facilities and educational institutions 	On going	
CARE	<ul style="list-style-type: none"> Agriculture and food security Education Health Economic development Water, Sanitation and Environmental Health 	<ul style="list-style-type: none"> Support production more food and income generation Promotes and facilitates discussion between parents, teachers and other members of the community to overcome the barriers to education that can keep families in a cycle of poverty Improving access to quality health services, nutrition, family planning, immunisation and HIV awareness and prevention Supporting money-making activities, especially those operated by women 	On going	

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarities /Synergy Potential
		<ul style="list-style-type: none"> Help prevent malnutrition, including demonstrating effective breast feeding, cultivating and preparing nutritious food, providing food as part of emergency relief efforts, and managing food-for-work projects to help communities improve infrastructure Build and maintain clean water systems and latrines and educates people about good hygiene practice to reduce the risk of illness 		
Caritas	<ul style="list-style-type: none"> Peace and reconciliation Emergencies Economic justice Climate Change Health 	<ul style="list-style-type: none"> Bring divided communities together at grassroots level Emergency release to post natural disaster Advocacy for economic justice Advocacy the impact of climate change Support HIV affected family 	On going	
IDE	<ul style="list-style-type: none"> Small – plot irrigation Agriculture Food security Rural Livelihood 	Introducing and promoting valuable small scale irrigation technologies to boost household income, food security and productivity including treadle pumps (food – powered irrigation pumps) and drip irrigation systems and low – cost water storage	Start from 2004	
MercyCrops	Humanitarian Aid and relief	<ul style="list-style-type: none"> Emergency response to bring relief and recovery Water and sanitation project Medical aid supply Clean up fold damaged village and replant rice paddies Repairing embankments, rebuilding irrigation canals, clearing walkways, and desalinating fields. 	On going	
PACT Myanmar	<ul style="list-style-type: none"> Micro Financial Services Health 	<ul style="list-style-type: none"> Provide credit without collateral for micro-enterprise development, mobilizing members' saving Strength community responses to TB/HIV and other disease burden Promote sustainable access to health for the needy communities by increasing community capacities in term of health awareness and income generation activity to support health 	On going	<ul style="list-style-type: none"> Potential for learning from PACT's activities in the provision of rural credit.
Cetana Educational Foundation	Education	<ul style="list-style-type: none"> Help support students to pursue university study at universities abroad 	On going	
Habitat For Humanity Myanmar	Humanitarian Aid	<ul style="list-style-type: none"> Support shelter to local community 	On going	
International HIV/AIDS Alliance	Health	Support the fight against AIDS with independent, accurate accessible and comprehensive information.	On going	
Japanese Organization - International Cooperation in Family Planning (JOICFP)	<ul style="list-style-type: none"> Health Youth Community Development 	<ul style="list-style-type: none"> Safe motherhood Youth HIV/AIDS Woman empowerment and gender equity Community Development 	On going	
Marie Stopes International (MSI)	Health	<ul style="list-style-type: none"> Provide sexual and reproductive healthcare services 	On going	
Oxfam	<ul style="list-style-type: none"> Emergency response Development work Campaigning for change 	<ul style="list-style-type: none"> Save lives, swiftly delivering aid, support and protection Help communities develop the capacity to cope with future crises. Support poor people to take control, solve their own problems, and rely on themselves. Campaigns hard, putting pressure on leaders for real lasting change 	On going	

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarities /Synergy Potential
Solidarités	<ul style="list-style-type: none"> • Health and Sanitation • Agriculture • Civil work 	<ul style="list-style-type: none"> • Access to drinking water • Sanitation • Hygiene • Rehabilitation program for agriculture and fishery activities • Civil work reconstruction 	On going	
Save the Children Fund	<ul style="list-style-type: none"> • Health • Nutrition • Food security 	<ul style="list-style-type: none"> • SCF is lead agency for Myanmar NGO Consortium on HIV/AIDS working with 3D fund; • HIV prevention for high risk groups; • Prevention of mother to child transmission; • Household food security and nutrition surveys in CDZ 	On-going 2007	Could be a good partner to carry out poverty and vulnerability assessments in CDZ for IFAD in partnerships with WFP.
World Vision	<ul style="list-style-type: none"> • Community development • Child • Responding to disasters • Health • Trafficking 	<ul style="list-style-type: none"> • Children in crisis • Child, maternal health & nutrition • Child rights & participation • Climate change • Conflict & peace building • Economic development • Gender • HIV & AIDS • Human trafficking • Urbanisation • Regional Priorities 	On going	

Key file 4: Target group identification, priority issues and potential response

33

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
Rural poor, especially small marginal and vulnerable farmers as well as ethnic groups.	<ul style="list-style-type: none"> Living on less than \$1.25 per day; Chronic food insecurity Lack adequate access to productive assets (land, draught power, water control/irrigation facilities) High ratio of dependents to workers Little or no wage employment or off-farm income generating opportunities available locally; Small landholdings insufficient for household food security; High level of Indebtedness Lack of access to credit services at an affordable cost; Poor education and literacy levels; High levels of illness and expenditure on health; Vulnerability to drought and floods • 	<ul style="list-style-type: none"> Local agricultural wage labour with larger farmers; Seasonal migration for work (urban areas and overseas); Reduction in food intake Dependence on exploitation of natural resources such as forests; Homes gardening and subsistence fisheries for food security; Selling off assets Borrowing from money lenders 	<ul style="list-style-type: none"> Household Food security; Opportunities to intensify/diversify agricultural production (including traditional varieties, local breeds and traditional practices). Additional productive assets - (land, draught power, water /irrigation facilities) Secure land tenure Access to public and private sector agricultural services (extension, input supply, marketing, micro- finance etc.) Availability of off-farm opportunities in rural areas (including traditional activities) and provision of services; Improved health and education services Improved rural infrastructure Capacity building of community organizations to assist with extension and development 	<ul style="list-style-type: none"> Limited support services from Government; UN Strategic Framework will help coordinate support from UN agencies on poverty alleviation and food security activities; TWGFSAs strategy for CDZ will complement IFAD project activities in CDZ; Proposed JICA support for poverty reduction initiatives in CDZ will target rural people in target villages in the area of the pilot project; FAO managed OFID project (since 2005) on oil seeds production in 37 townships in Myanmar to increase farmers' incomes through improved seeds, extension services and market outlets for their crops. Some sporadic and scattered INGO and local NGO initiatives on income generating opportunities; UNDP HDI programme was operational in limited areas but new country programme will have a wider geographical focus and is a potential partner for IFAD, especially in targeting rural poor; WFP only able to provide emergency food aid and food-for-work in a limited number of areas; LIFT active in all areas, including CDZ and is a potential partner especially its "learning and innovation" window; 	<ul style="list-style-type: none"> IFAD will target assistance to rural poor in project areas in the CDZ by providing access to irrigation services and supporting services; Coordination of IFAD activities with UNCT strategic framework, UNDP CP, LIFT and with TWGFSAs activities in the CDZ
Rural women, particularly female-headed households; including women from ethnic groups	<ul style="list-style-type: none"> Living on less than \$1.25 per day; Chronic food insecurity Lack of adequate access to productive assets (land, draught power, water control/irrigation facilities) Little or no wage employment or off-farm income generating opportunities available locally; Small landholdings insufficient for household food security; High level of Indebtedness Lack of access to credit services at an affordable cost; Poor level of education and literacy; 	<ul style="list-style-type: none"> Local agricultural wage labour with larger farmers; Seasonal migration for work (urban/abroad); Reduction in food intake Dependence on exploitation of natural resources such as forests; Homes gardening and subsistence fisheries for food security; Selling off assets Borrowing from money lenders Taking children out of school 	<ul style="list-style-type: none"> Household Food security; Opportunities to intensify and diversify agricultural production (including traditional varieties, local breeds and traditional practices). Productive assets; Secure land tenure Access to public and private sector agricultural services Availability of off-farm IGAs (including traditional activities) in rural areas and provision of services; Opportunities for home gardens and subsistence fisheries for food security; 	<ul style="list-style-type: none"> Limited support services from Government; Proposed JICA support for poverty reduction initiatives in CDZ will target rural people, including women, in target villages in the area of the pilot project; UN Strategic Framework will help coordinate support from UN agencies on poverty alleviation and food security in CDZ to help reduce gender inequities; Some sporadic and scattered INGO and local NGO initiatives on income generating opportunities targeted at women; UNDP HDI programme was operational in limited areas but new country programme will have a wider geographical focus and is a potential partner for IFAD, especially in 	<ul style="list-style-type: none"> IFAD will target assistance to rural poor, and especially women-headed households in project areas in the CDZ by providing access to irrigation services and supporting services, including training; Coordination of IFAD activities with UNCT strategic framework, UNDP CP and with TWGFSAs activities in the CDZ

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
	<ul style="list-style-type: none"> • High levels of domestic violence; • High levels of illness and expenditure on health; • Vulnerability to recurrent drought and floods 		<ul style="list-style-type: none"> • Improved health and education services • Support for children • Improved personal and livestock security • Tackling domestic violence • Capacity building of CBOs for women's empowerment 	<ul style="list-style-type: none"> targeting rural women; • Limited WFP food aid and food-for-work in some areas; • LIFT active in all areas, including CDZ; 	
Landless and poor rural households (including ethnic group households)	<ul style="list-style-type: none"> • Living on less than \$1.25 per day; • Little or no wage employment or non-farm income generating opportunities available locally • High ratio of dependents to workers; • High level of indebtedness • Lack of access to credit services at an affordable cost; • Poor level of education and literacy; • High levels of illness and expenditure on health. 	<ul style="list-style-type: none"> • Local agricultural wage labour; • Seasonal migration for work (urban areas and overseas); • Reduction in food intake • Dependence on exploitation of natural resources such as forests; • Homes gardening and subsistence fisheries for food security; • Selling off assets • Borrowing from money lenders 	<ul style="list-style-type: none"> • Household Food security; • Availability of off-farm income generating opportunities (including traditional activities) in rural areas and provision of associated support services; • Opportunities for home gardens and subsistence fisheries for food security; • Improved health and culturally sensitive education services; • Improved access to livestock; • Capacity building and strengthening of community based organizations to assist with empowerment activities 	<ul style="list-style-type: none"> • Limited support services from Government; • Proposed JICA support for poverty reduction initiatives in CDZ will target rural poor, including landless in target villages in the area of the pilot project; • UN Strategic Framework will help coordinate support from UN agencies on poverty alleviation and food security targeted at the landless; • FAO managed OFID project (since 2005) on oil seeds production in 37 townships in Myanmar may increase access to farm wage labour; • Some sporadic and scattered INGO and local NGO initiatives on income generating opportunities; • UNDP HDI programme was operational in limited areas but new country programme will have a wider geographical focus and is a potential partner for IFAD, especially in targeting landless and poor households; • WFP only able to provide emergency food aid and food-for-work in a limited number of areas; • LIFT active in all areas, including CDZ; 	<ul style="list-style-type: none"> • IFAD will target assistance to rural poor, including landless in project areas in the CDZ by providing access to income generating opportunities; • Coordination of IFAD activities with UNCT strategic framework, UNDP CP, and with TWGFSA activities in the CDZ