

# **COUNTRY PROGRAMMING FRAMEWORK 2012 – 2016**

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**for  
the Cooperation and Partnership  
between  
the Food and Agriculture Organization and the Republic  
of the Union of Myanmar**

**Myanmar  
October 2012**

## FOREWORD

The Government of the Republic of the Union of Myanmar (GoRUM), represented by the Ministry of National Planning and Economic Development, and the Food and Agriculture Organization of the United Nations (FAO), represented by its Representative to the Republic of the Union of Myanmar, are pleased to jointly launch the Country Programming Framework (CPF) 2012 – 2016.

The CPF 2012-2016 is a result of extensive consultations held with a wide range of stakeholders and partners within the country as well as relevant technical units of FAO Regional Office in Bangkok. The GoRUM and FAO express their sincere appreciation to all who have made constructive comments and suggestions through the consultative process.

This document, co-owned by the GoRUM and FAO, indicates the broad commitment of the GoRUM and FAO to work closely on the identified medium-term priority areas in the CPF for agriculture and rural development and poverty alleviation in Myanmar. The CPF priorities were identified in line with the Fifth National Development Plan (2011/12 – 2015/16) and the Millennium Development Goals. These also supplement and contribute to the strategic objectives of the United Nations Strategic Framework 2012-2015 for Myanmar.

The CPF 2012-2016 will be pursued in partnerships as broad as possible and in alignment with the joint efforts of the GoRUM and the development partners for enhanced coordination and aid effectiveness. The GoRUM and FAO look forward to seeking collaboration and support from all concerned partners for the successful implementation of the CPF 2012-2016.

For the Food and Agriculture  
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## ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
CDM	Clean Development Mechanism
CPF	Country Programming Framework
CPF-SC	CPF Steering Committee
CPF-TC	CPF Technical Sub-committee
DoF	Department of Fisheries
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
GDP	Gross Domestic Products
GEF	Global Environment Facility
GMP	Good Management Practice
GoRUM	Government of Republic of the Union of Myanmar
IFAD	International Fund for Agriculture Development
IHLCA	Integrated Household Living Conditions Assessment
MDG	Millennium Development Goal
MNPED	Ministry of National Planning and Economic Development
MoAI	Ministry of Agriculture and Irrigation
MoECAF	Ministry of Environmental Conservation and Forestry
MoLF	Ministry of Livestock and Fisheries
NDPCC	National Disaster Preparedness Central Committee
NGO	Non-governmental Organization
NMTPF	National Medium-term Priority Framework
NWFP	Non-wood Forest Product
OFID	OPEC Fund for International Development
SPS	Sanitary and Phytosanitary
SSOP	Sanitation Standard Operation Procedure
TCP	Technical Cooperation Programme
TF	Trust Fund
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNSF	United Nation Strategic Framework
WTO	World Trade Organization

## I. INTRODUCTION

FAO and the Government of Myanmar share a long history of cooperation in their respective pursuits to eradicate hunger, malnutrition and poverty through agricultural and rural development. To further streamline this cooperation, the two partners decided to undertake a joint effort to formulate a new Country Programming Framework (CPF) as the basis for mutual cooperation and partnership for the period 2012-2016. The CPF will provide strategic guidance for future work programme to be implemented jointly by FAO and the Government, in close partnership with other UN agencies and development partners. It sets out key priorities and identifies activities and projects to be implemented by the GoRUM with the support of the FAO.

The CPF has been formulated under the leadership of the Ministry of National Planning and Economic Development (MNPED) through a series of consultations involving FAO and various Government ministries and departments, United Nations organizations, development partners, civil society organizations, non-government organizations and the private sector.

It has been developed in line with the Fifth National Development Plan 2011/12-2015/16 and the Millennium Development Goals (MDGs). It also seeks synergy and complementarities with the UN Strategic Framework for Myanmar 2011-2015. It sets out key priorities and identifies activities and projects to be implemented by the GoRUM with the support of the FAO. These priorities and activities cover various areas of FAO's competence including agriculture, food security, natural resource management and rural livelihoods, mainly through agriculture-based activities.

The CPF has identified seven priority outcomes covering a number of priority areas: food and agricultural production including fisheries and forestry sub-sectors, food security, food safety, human resource development, land use and land management, sustainable management of natural resources, preparedness for and mitigation of disasters and climate change. In each of these areas, a number of priority activities and projects have been identified, with indicative funding requirements. These individual building blocks of the CPF will be further elaborated for resource mobilization and implementation. Flexibility is allowed for in the CPF, as emphasis is laid on the broad-based programming approach. In this sense, a CPF is a living document, the contents of which will be adjusted over time taking into consideration the changing circumstances and needs of the country.

## II. SITUATION ANALYSIS

### 2.1 Background on the economy, agriculture and food insecurity

**Agriculture in the national economy** Agriculture sector, defined broadly to include crops, livestock, fisheries and forestry, accounted for 38% of Myanmar's GDP in 2010/11, down from 47 percent in 2005/2006 (Table 1), as manufacturing and services sectors have grown rapidly. Within agriculture, the share of the crop subsector in the GDP also fell from 11% to 4% during the same period. While these shares have fallen, growth rates have been robust as the table shows, with the exception of the forestry subsector.

**Table 1 Contribution of the agriculture sector to GDP growth in Myanmar (%)**

		05/06	06/07	07/08	08/09	09/10	10/11
1.	GDP growth	13.6	13.1	12.0	10.3	10.6	10.4
2.	Share of the agriculture sector in GDP	38.4	37.1	35.6	33.8	31.9	30.0
3.	Share of the livestock & fishery sector in GDP	7.7	7.6	7.5	7.5	7.6	7.4
4.	Share of the forestry sector in GDP	0.6	0.6	0.6	0.5	0.4	0.4
5.	<b>Share of the total agriculture sector in GDP (2+3+4)</b>	<b>46.7</b>	<b>45.3</b>	<b>43.7</b>	<b>41.8</b>	<b>39.9</b>	<b>37.8</b>
6.	Growth of the agriculture sector	10.7	9.2	7.5	4.8	4.2	4.1
7.	Growth of the livestock & fishery sector	18.8	12.2	10.9	10.1	12.3	7.5
8.	Growth of the forestry sector	4.0	8.3	0.3	-2.3	-3.1	0.3

Reference: "Myanmar Agriculture at a Glance 2011", DAP, MoAI (From the source of Central Statistical Organization, Ministry of National Planning and Economic Development)

**Food insecurity and poverty** Although Myanmar is a net food exporter, about 10 percent of the population of 60 million is estimated to be below the official food poverty line, with many pockets of high levels of food and nutrition insecurity across various states/regions and villages.<sup>1</sup> Food poverty is generally higher in states than regions and higher in rural than in urban areas. Some 69% of the population is rural. Likewise, the nationwide prevalence of moderately underweight children was recorded at 34 percent, representing 16 million children (UNDP 2007). In the mean time, household incomes expended on food have increased sharply, to as high as 73 percent for many population groups, which has also increased indebtedness. The IHLCA survey has also shown increased incidences of landlessness in recent years (in the range of 30 percent of the rural population).

**A food basket** Myanmar enjoys diverse climatic conditions including both subtropical and tropical zones, as well as low to high rainfall regions. As a result, the country produces a wide range of almost all crops, and livestock and fishery products. Livestock production is mostly small-scale and largely fulfils national demand and generates considerable cash incomes also. The fisheries subsector is developing rapidly, notably marine capture and aquaculture, and export earnings did indeed double to US\$567 million in 2008 from 2007.

**Land and water use** Of the total land mass of 67.66 million hectares, about 12 million hectares (18 percent) are cropped currently. This can be extended to 26 percent of the total as roughly 5.7 million hectares of land (8 percent) are estimated to be still available for cropping. Forest cover accounts for 48 percent of the total land mass. Kachin, Shan and Chin states, and Sagaing region provide promising options for further agricultural expansion. The 2003 Myanmar Agricultural Census showed that there were about 3.46 million farm families, cultivating about 8.7 million hectares of land. The average farm size was about 2.5 hectares (6.24 acres), relatively larger than in many other countries, e.g. India, Indonesia and China. About 60 percent of cropped areas are held by farmers with landholding of less than 4 hectares. The country is currently utilizing only about 6 percent of the total water resource of 870 million acre-feet *per annum*. Between 1987/88 and 2010/11, irrigation coverage increased from 12.5 percent of the net sown area to 16.7 percent, and, consequently, cropping intensity increased from 141 percent in 1995 to 172 percent in 2011. Crop production fluctuates for a number of reasons. With the exception of paddy rice, yields of most crops are relatively low compared to neighbouring countries.

<sup>1</sup> Based on the 2007 *Integrated Household Living Conditions Assessment (IHLCA)*, UNDP, 2007

**Land ownership** All land in Myanmar is owned by the state and cultivators only retain the tilling rights, which cannot be transferred, mortgaged, taken in lieu of loan repayment, or used as collateral for obtaining loans. However they are inheritable by grown-up children or other family members who continue to till the land by themselves. This pattern of intergenerational land transfer has increased land fragmentation of holdings and small farming households. Although the new land laws of “Vacant, Fallow and Virgin Land Management Law” and “Farmland Law” are both enacted in March 2012 to solve land-related problems, land reform still remains as a major challenging task.

**Domestic and external trade** With the introduction of the market economy in 1988, internal and external barriers to trade were relaxed to some extent. As a result, both the domestic marketing activities and external trade have expanded considerably, with the private sector playing an increasingly larger role. The country has reasonably good road and river networks for trade, with the exception of disruptions during the rainy seasons. A further important boost to trade was the abolition in 2003 of the policy of compulsory procurement of paddy rice by the state at low prices. In addition, to promote export, the new Government lowered in 2011 export tax on all commodities to 2 percent only, from 12 percent before.

Access to export markets for beef, pig and chicken meat, is limited as production and processing facilities lack the capacity for producing quality products in sufficient quantity for international markets. Consequently, only live animals are exported to neighbouring countries. High import tax and commercial tax on medicines and feed supplement additives increase the cost of livestock production and disease control, reducing the competitiveness of the industry.

During the past 15 years since 1995/96, the value of agricultural exports has continued to rise, bolstered in large part by market reforms, and despite the fact that its share in total exports has dropped from 77 percent to 24 percent as the exports of other products, notably gas, minerals, gems and ready-made garment, have soared. Teak and other hardwoods are also major export items, although their productions have fluctuated lately due to export restrictions to discourage over- and illegal cutting. Myanmar is a member of the Association of Southeast Asian Nations (ASEAN) Free Trade Agreement (AFTA) and the World Trade Organization (WTO).

**Natural disasters** Floods occur regularly during the mid-monsoon season (June to August) in areas traversed by rivers and large streams. The country is also prone to cyclones, droughts, earthquakes and landslides. Droughts occur frequently in the dry zone region of central Myanmar, and western parts of South Shan State. Climate change phenomena have been cited as the reason for late and lower rainfall, longer dry spells and increased temperatures. These conditions have direct implications on the livelihoods and human security of the population, more so for many resource-poor farmers who live and grow crops on slopes with shallow, depleted and erosion-prone soils. Myanmar was affected by the Indian Ocean tsunami in 2004, Cyclone Nargis in 2008 and Cyclone Giri in 2010. Landslides are very common in the rainy season in mountainous areas. To deal with emergency situations caused by natural calamities, the Myanmar Disaster Preparedness Central Committee (MDPCC) was reconstituted in April 2011 to Myanmar Disaster Preparedness Agency (MDPA) with thirteen sub-committees, chaired by the Minister of Ministry of Social Welfare, Relief and Resettlement with the executive members from 10 related ministries.

**The fisheries sub-sector** Fish is an essential part of the Myanmar diet, second only to rice. Fisheries may be classified into various categories: marine, coastal, river, inland and

aquaculture. A new system of Paddy plus Fish production has been introduced in the deep-water areas and fish production from these areas is on the rise. Fisheries and aquaculture are labour-intensive economic activities and create jobs, directly and indirectly, for a number of rural and urban households. Postharvest treatment of the catches, such as freezing, drying, smoking, salting and the preparation of fermented fish, fish paste and sauce products, provides important employment opportunities for the rural population, particularly women. A significant number of poor and vulnerable people live in the marine, coastal, riverine, inland areas and their livelihoods are strongly linked to small-scale fisheries and aquaculture. Development of sustainable aquaculture systems and management of small-scale fisheries are therefore essential for their well-being. Maintaining the mangrove ecosystem is necessary to protect unique biodiversity.

**The forestry sub-sector** This sector is vital to Myanmar because of its substantial contributions to the economy and its strong influences on climate stability, soil and water conservation and environmental protection. Myanmar forest cover was recorded at 31.8 million hectares, which is equivalent to 48 percent of the country's total land area of approximately 67 million hectares (FAO 2010).<sup>2</sup> Permanent forest estate constituted about 24 percent while the rest belonged to other forest categories. Apart from high value timber such as teak and other hardwoods Myanmar forests produce abundant non-wood forest products (NWFPs) such as bamboo and rattan, which provide the main source of income for poor and landless rural households. Women play an important role in collecting and selling these products to earn extra income.

## 2.2 National priorities

The *National Economic and Social Development Plan 2011/12-2015/16* sets a vision for the country to become a peaceful, modern and developed nation. Some immediate objectives set for the financial year 2011-2012 include: (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. To achieve these objectives, the following planned interventions, relating to the agriculture, livestock, fisheries and forestry sectors, are prioritized for implementation in 2011-2012:

- (1) To encourage the establishment of agriculture-based industries and other industries for building an industrialized nation.
- (2) To expand agriculture, livestock and fishery sectors in order to meet ever-increasing local demand and to promote exports.
- (3) To endeavour to meet the targeted yields of designated crops.
- (4) To expand new cultivable land for agricultural use.
- (5) To address shortages in edible oil and lubricant oil.
- (6) To promote widespread use of biodiesel to supplement lubricant and fuel needs.
- (7) To restore and expand forest area coverage.
- (8) To conserve natural resources and protect the environment.

In November 2011, the government launched a *National Strategy on Rural Development and Poverty Alleviation* focusing on the following eight priority areas: 1) agriculture production; 2) livestock and fisheries production; 3) rural productivity and cottage

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<sup>2</sup> Food and Agriculture Organization of the United Nations (FAO). 2010. "Global Forest Resources Assessment - Country Report: Myanmar"



industry; 4) micro savings and credit enterprises; 5) rural cooperatives; 6) rural socio economy; 7) rural renewable energy; and 8) environmental conservation.

The *Agriculture Sector Review* undertaken in 2004 recommended to focus on i) developing a consolidated database on rural statistics, ii) developing poverty profile for all townships, iii) mainstreaming of landless households, iv) addressing land tenure right issues, v) developing potentially viable livelihood options, vi) developing viable farming system options, vii) investing more on rural infrastructure development, and viii) improving access to education and health services for rural population.

Sub-sectoral priorities have been articulated in various national policies and priority frameworks, notably the *National Economic and Social Development Plan 2011/12-2015/16*, the *National Strategy on Rural Development and Poverty Alleviation*, the *2004 Agriculture Sector Review*, and the *National Millennium Development Goals*. What follows summarizes these priorities.

**Crop subsector priorities** The responsibility for the development of the crop subsector to achieve the planned targets of the National Economic and Social Development Plan 2011/12-2015/16 rests with the Ministry of Agriculture and Irrigation (MoAI). In this context, the MoAI has adopted the following policies and measures:

- To emphasize production and utilization of high yield and good quality seeds
- To conduct training and education activities for farmers and extension staff to provide advanced agricultural techniques and to introduce agricultural knowledge with primary and secondary level students to produce qualified agricultural technicians from State Agricultural Institutes and Yezin Agricultural University
- To implement R&D activities for sustainable agricultural development
- To protect farmers' rights and benefits
- To assist farmers to get fair price on their produce
- To assist in lowering the production costs, increasing high quality crop production, developing and strengthening of markets
- To encourage transformation from conventional agriculture to mechanized agriculture
- To undertake renovation and maintenance works on old irrigation, pumping and underground water systems
- To support rural development and poverty reduction activities through development of agriculture sector
- To help strengthening of markets and allowing farmers freedom of choice for crop cultivation
- To encourage local and international investment in agriculture sector for the development of advanced agricultural technology and commercial agricultural production, and
- To justify and amend the existing agricultural laws and regulations in line with current economic situation

Five key priorities were set to ensure the development of the crop subsector: (i) strengthening of profitable and sustainable market for farmers, (ii) utilization of good quality seeds to produce quality products for higher price, (iii) utilization of Good Agricultural Practices (GAP), (iv) application of agricultural inputs such as irrigation water, chemical and natural fertilizers efficiently, and (v) reduction of production costs and transactional costs

along the supply chain. Efforts are being made to improve the production and productivity of ten principal crops namely rice, sugar cane, long staple cotton, maize, groundnut, sunflower, black gram, green gram and pigeon pea.

**Livestock and fisheries subsector priorities** The Ministry of Livestock and Fisheries (MoLF) is responsible for ensuring that the targets set in the National Economic and Social Development Plan 2011/12-2015/16 are met. The objectives of the livestock sector are to: (a) improve livestock and livestock products for domestic consumption through improved animal health care, (b) increase the draught cattle population, proportional to crop area expansion, (c) promote trade in livestock and livestock products, and (d) investigate identified products and conduct related research on various aspects related to biological production.

The fisheries subsector aims to: (a) support rural development through the extension of aquaculture activities, (b) increase export earnings from shrimp aquaculture, (c) sustain and increase the fisheries resources of both inland and marine waters, (d) accelerate the integrated fisheries development process without impacting on the natural environment and (e) adopt and implement an extension programme to ensure sustainable fisheries development. Priority areas for intervention by the MoLF to ensure the development of the fisheries subsector are: (a) expansion of shrimp breeding farms, (b) prevention of natural resource spoilage by inland and offshore fisheries, (c) acceleration of development momentum for inland fisheries in order to satisfy domestic consumption needs.

Overall, the MoLF plans to (a) promote sufficient investment in the livestock and fisheries subsectors through private-public partnership, and (b) upgrade the socio-economic status of communities whose livelihoods are dependent on the livestock and fishery subsectors in a gender-equitable manner. This has a bearing on the extent to which women are engaged in the livestock and fishery subsectors and are dependent on them, often as their primary livelihood.

**Forestry subsector priorities** The National Forest Master Plan (NFMP), a 30-year roadmap (2001/2002-2030/2031) for effective and efficient conservation of forest resources, reflects not only the current status of forests in Myanmar but also the social and macroeconomic policies of the country. The Plan's focused objectives are developing rural communities, alleviating poverty and conserving the environment; this is to be accomplished through the creation of job opportunities, affording permission to use forest lands and extraction of NWFPs and diversification of cooking energy sources and incomes. Establishment of forest plantations and community forests, promotion of bio-energy and NWFPs, human resource development and forestry extension services are major thrusts of the NFMP.

### **2.3 National Millennium Development Goals (MDGs)**

The Myanmar MDG Report, issued jointly in 2006 by the GoRUM and the UNDP, reaffirmed the country's progress in meeting most of the MDG targets before 2015 and commitment to achieving more ambitious targets including reduction of the proportion of poor people. The report noted that Myanmar had made some progress towards the achievement of MDGs while implementing national development plans and programmes.

Under MDG 1 (eradicate poverty and hunger), Myanmar established a food security programme that prioritized expansion of agriculture, livestock and fishery production to ensure self-sufficiency in quality food production for local consumption and export. In order

to better understand the ground-reality regarding food security, a *Food Insecurity and Vulnerability Information Mapping System Mission* was launched in 2006 and the *Crop and Food Security Assessment Mission* also conducted in 2008 after Cyclone Nargis. Findings and recommendations from these reports were instrumental in making targeted budget allocations to reduce poverty and hunger.

To contribute to MDG 7 (ensure environmental sustainability), Myanmar is committed to promoting energy efficiency and making greater use of renewable energy resources, in particular bio-energy. It is recognized that the required technical analyses, policy formulation, capacity building and technology transfer can only be implemented with the support of external resources. With a view to ensuring environmental sustainability, Myanmar established the *National Commission for Environmental Affairs*, adopted a new forest policy, implemented the greening of arid areas in the Central Dry Zone, extended reserved forests and protected public forest areas, adopted *Myanmar Agenda 21* and ratified the *UN Framework Convention on Climate Change* (UNFCCC) and accession to the Kyoto Protocol.

MDG 8 (global partnership for development) is one of the most important MDGs for Myanmar as a developing country with decades of experience and lessons learned in advancing its agricultural development. By engaging in South-South cooperation and technical cooperation among developing countries, Myanmar is sharing its experience with other countries including developing countries such as Cook Islands, Sri Lanka, Viet Nam, Tanzania and Malawi.

## **2.4 Key institutions in the agriculture sector**

There are several ministries involved in agriculture, natural resources and rural development. The Ministry of National Planning and Economic Development was tasked with the overall planning and development of all national economic sectors, including the agriculture sector with its crop, livestock, fishery and forestry subsectors.

The MoAI is responsible for overall development of the crop subsector, including: i) extension; ii) research and development; iii) irrigation; iv) agricultural mechanization; v) formulation of agricultural plans and policies; vi) higher education in agriculture; vii) agricultural micro-credit and loans; viii) agricultural land reclamation; ix) land development and land reform; x) biodiversity; xi) land surveying and mapping; xii) and coordination with key concerned agencies.

The MoLF takes the leading role in the overall development of the livestock subsector, with the Livestock Breeding Veterinary Department (LBVD) as the executing arm. Important existing programmes are Highly Pathogenic Avian Influenza Control, Native Chicken Development, the Livestock Development Bank (chickens and pigs), Development of Mythum Breeding, Livestock Breeding Loans, Establishment of Livestock Zones, Vaccination of Chickens with I2 and AP (wing web), and Pasture Development. These programmes aim to expand the current level of livestock production to satisfy ever-increasing domestic demand and improve the nutritional status and quality of the food. Bee production is also under the responsibility of LBVD.

The Department of Fisheries (DoF), under the MoLF, is the lead national agency in policy development for fisheries in Myanmar. The DoF is the sole institution and competent authority responsible for the management and sustainable development of the fishery subsector. Its main function includes effective use of fishery resources, support for fish food

security, integration of fishery livelihoods for poverty alleviation, implementing research and extension activities and capacity building of all stakeholders.

The Ministry of Environmental Conservation and Forestry (MoECAF) is responsible for sustainable management of forest resources, national parks, wild life and plant conservation. The National Commission for Environmental Affairs was terminated and the MOECAF took its responsibilities to oversee and manage all matters related to the environment and climate change. The MoECAF is also the official Myanmar focal point for the Global Environment Facility (GEF).

The Ministry of Social Welfare, Relief and Resettlement handles affairs related to social services, protection, relief and rehabilitation including support for disadvantaged groups of people such as the disabled and elderly. The rural development sector is under the Ministry of Border Affairs.

The MoAI is the Myanmar focal point for FAO at the country level and coordinates line ministries on FAO-related matters. However the submission of project proposals to FAO and their prioritization are handled separately by each ministry.

The UN Country Team is coordinated by the UN Resident Coordinator in Myanmar. It has three UN Thematic Working Groups, of which FAO chairs the Thematic Working Group on Food Security and Agriculture. FAO also chairs the Regional Working Group on Agriculture and Food Security for the Northern Rakhine State.

At the time of Cyclone Nargis emergency relief and rehabilitation, FAO provided leadership in the Agriculture Cluster, helping to coordinate and provide technical guidance to the GoRUM, the UN agencies, donors and NGOs.

## **2.5 Collaboration with FAO and other development partners**

FAO has a long history of cooperation with the GoRUM. FAO's field programme in Myanmar is grouped into three main categories: i) focused technical cooperation to address most pressing development issues, ii) emergency assistance to meet unexpected, urgent and immediate needs, and iii) direct support to poor farm families through an extra-budgetary Trust Fund (TF) as well as UNDP and Telefood grassroots-level micro-projects. FAO's country programme focuses in the technical areas of food production (crop, livestock, fishery), capacity building, environmental protection, poverty alleviation, and emergency.

FAO's projects in Myanmar consist of 12 national ongoing projects (4 Technical Cooperation Programmes [TCPs], 5 TFs and 3 Telefood Projects) with a total budget of US\$13.6 million. There are also 18 regional and interregional projects (7 TCPs and 11 TFs) with a total budget of US\$32.1 million. In addition, there are six emergency projects (US\$23.8 million) which are ongoing. Many projects support poverty alleviation, crop production, integrated pest management and environmental sustainability.

FAO devotes more than half of its resources to poverty alleviation (MDG 1) and about one fifth to environmental sustainability (MDG 7). This pattern of funding is likely to continue over the near term in Myanmar. FAO will explore the possibility of working with the major multilateral financial/funding institutions notably the World Bank (WB), the Asian Development Bank (ADB), the OPEC Fund for International Development (OFID), the European Union (EU) and the International Fund for Agricultural Development (IFAD) in

implementing investment projects in the agriculture sector as circumstances permit. FAO has displayed its important role as a complementary partner with other donor agencies, especially in enabling the policy and operational environment for the major donors to provide critical funding for infrastructure support to agricultural development.

Under normal circumstances, annual Overseas Development Assistance (ODA) received by Myanmar is insignificant, about US\$5.6 per capita in 2010. However, for 2009, Myanmar received a total sum, about US\$284 million to counter the devastation caused by Cyclone Nargis in May 2008; of that sum of US\$169.73 million was spent in FAO-related sectors. The major contributors of ODA in 2009 were the United Kingdom, the EU, Japan, Norway, Germany, Australia, Denmark, UNDP, Republic of Korea and Italy. The contributions made by international and local NGOs in the emergency and rehabilitation phases were quite significant.

According to the Economist Intelligence Unit report of June 2011, foreign direct investment (FDI) approvals have continued to pick up because of foreign interest in offshore gas fields and hydropower. Between April 2010 and January 2011, new FDI approvals totaled US\$19.4 billion, up from just US\$302 million in 2009/10. Of the US\$19.4 billion in approvals, US\$10.2 billion was in the oil and gas sector, with a further US\$8.2 billion in the power sector and US\$997 million in the mining sector. The bulk of new FDI approvals have come from China and Thailand. Outside of the oil and gas, mining and power sectors, the available industrial indicators point to a rather mixed performance in the first 10 months of 2010/11. For example, output (by state-owned firms) of bricks, plywood, cotton yarn and paper rose on a year-on-year basis, but the output of many other items declined, including cotton fabrics, sugar and paints.

## **2.6 Gaps and areas requiring priority attention**

**Crop subsector** Sustained growth in crop production and off-farm incomes requires many forms of interventions, including the reform of the policy environment under which farmers currently operate. A new approach is needed to agricultural planning and development, including the full adoption of a market-oriented system and institutional reform of government services involved in the sector. To take full advantage of a liberalized crop production environment to significantly increase crop production and farm incomes, farmers need access to key production services, notably affordable seasonal credit; reliable supply of improved seed and planting materials; adequate supply of good quality farm inputs, fertilizers and sprays; opportunities to sell crops in open and competitive markets; and access to relevant technologies to improve farm incomes in a sustainable and resource-efficient manner under the climate change scenario.

**Livestock subsector** Control of diseases in animal populations is a key priority. This requires building of institutional capacity in terms of epidemiology and laboratory skills, as well as improved sector governance, for example collection of animal population data, and vaccination planning, production, and delivery including reliable cold chains. Community animal health workers (CAHWs) are at the frontline of vaccinating and treating animals, so support for development of CAHW networks is a high priority. Improved production through extension advice on breeds, feeding and management to smallholders is important, including not only farmers in mixed crop-livestock systems, but also to those farmers who have invested in small scale commercial farms in the pig, poultry and dairy sectors. Artificial insemination is a potential improvement in some sectors, and improved feeds and forages can also contribute to improved productivity. Improved industry development based on sound

supply chain studies should be conducted to more clearly define trends and potential improvements in inputs and service supplies or processing, marketing and trading systems that are responsive to domestic and regional demand for products.

Adequate regulatory measures for meat processing and government infrastructure for animal health testing are needed to increase exports. Insufficient FDI is constraining the development of the livestock processing industry. There is a need to support emerging commercial livestock production and processing industries for accessing the overseas market in a competitive manner.

Experience with Highly Pathogenic Avian Influenza and Porcine Respiratory and Reproductive Syndrome in pigs has shown that new diseases can emerge in the region and affect Myanmar. It is important that Myanmar remains closely engaged with regional initiatives on disease control in order to be able to prepare and respond when necessary. Also zoonotic diseases such as Rabies continue to pose a threat to human health and should be addressed.

An important priority in developing overall human resources is support to the University of Veterinary Science, Yezin. Support would be to improve its core mandate in training veterinarians but also to adapt the curriculum to changing demands of the livestock sector. Overall collaboration in the livestock sector between FAO and LBVD has been agreed to and is described in the Animal Health Priority Plan (2011-15).

**Fisheries subsector** Although this subsector is making remarkable progress, challenges remain. Most fishery commodities are exported in raw forms, which are processed by importers who add value and reap benefits. Upgrading traditional fisheries processing and preservation methods and market promotion are also critical for the effective utilization of fisheries resources.

Fisheries resources are used without considering sustainable production. Effective utilization of catches needs further development. There is a strong need for proper assessments of marine fisheries and river fisheries (e.g. the Ayeyarwady River). Governance of inland fishery concessions needs to be strengthened. The subsector needs to put in place appropriate regulations and quality and food safety standards, in particular those related to pre- and postharvest practices. Sustainable development of the fisheries sub-sector needs to address:

- Low prices of aquaculture products;
- A high percentage of small-size catches in capture fisheries;
- Limited preservation and processing techniques in small and medium enterprises;
- Ineffective utilization of low-valued trash fish in marine fishing;
- Insufficient awareness of product quality in the production chain;
- Insufficient fish supply in mountainous areas;
- Lack of complete fisheries data and statistical analysis.

**Forestry subsector** Population growth has increased the demands for forest and agricultural products. Consequently, unauthorized human interventions in the forms of shifting cultivation, agricultural expansion and overcutting/illegal logging have resulted in some forest depletion and degradation. The annual deforestation rate between 2000 and 2010 is estimated at 114 000 hectares according to FAO. Measures are being undertaken to reverse the current trend of deforestation.

The main issues faced by the forestry subsector, and which require priority attention, include:

- Encroachment of forest land for agriculture, infrastructure, factories and dwellings as population increases;
- Some illicit cutting of trees for commercial use;
- Extension of grazing land;
- Shifting cultivation;
- Excessive utilization of fuel wood.

### III. PROPOSED COUNTRY PROGRAMMING FRAMEWORK

#### 3.1 Priority outcomes for the next five years

A total of **seven priority outcomes** have been considered for FAO assistance in Myanmar for the next five years. These were identified through a series of analytical and consultative process that took into account the situation analysis, the ongoing Short-term Five Year Plan, achievements made so far under MDGs 1 and 7, and the ongoing FAO programmes in Myanmar. The joint technical and consultative meetings between various technical departments of the GoRUM and FAO were notably crucial for this process.

- |            |   |
|------------|---|
| Outcome 1. | Increased agricultural production to enhance food security      |
| Outcome 2. | Improved food safety and quality                                |
| Outcome 3. | Sustainable management of natural resources and the environment |
| Outcome 4. | Land use and land management                                    |
| Outcome 5. | Human resource development and institutional capacity building  |
| Outcome 6. | Rural livelihoods improvement                                   |
| Outcome 7. | Preparedness for and mitigation of disasters and climate change |

#### 3.2 Priority outputs, projects and focussed activities

One of the important results of the process of identifying priority outcomes was also the process of identifying outputs, focused activities and possible projects under each priority outcome. At the same time, log-frames outlining the focused activities and possible projects were also prepared for each subsector. At the validation workshop in September 2012, the following list of 39 projects/activities were approved for the period 2012-2016 by representatives for each key subsector, notably crops, forestry, fisheries and livestock. The list of priority projects was then sent to the Food Security and Agriculture Thematic Working Group which consists of seven UN organizations and seven NGOs and donors.

**Annex B** summarizes the priority outcomes and outputs in a matrix form while **Annex C** presents focused activities as well as required resources. It is to be noted that these 39 activities have been prioritized for implementation as resources become available – thus, resource mobilization for these activities is in itself a high priority task. A CPF is a living document and so priorities would need to be adjusted to address emerging needs and challenges.

By way of summary, of the 39 projects/activities, 14 pertain to the crop subsector, 3 to livestock subsector, 7 to fisheries subsector, 9 to forestry subsector, 6 to cross-subsectors. Likewise, Table 2 provides a summary of the number of projects/activities and estimated resource needs for each of the seven priority outcomes, as detailed in **Annex C**.

**Table 2: Summary of priority outcomes, activities/projects and estimated resource requirements**

<b>Priority outcomes</b>	<b>Number of activities/projects</b>	<b>Estimated resource needs (US\$ million)</b>
1. Increased agricultural production to enhance food security	10	47.4
2. Improved food safety and quality	2	14.0
3. Sustainable management of natural resources and the environment	6	24.7
4. Land use and land management	3	9.0
5. Human resource development and institutional capacity building	5	11.0
6. Rural livelihoods improvement	5	6.4
7. Preparedness for disaster and climate change	8	7.3
<b>Total</b>	<b>39</b>	<b>119.8</b>
8. Various cross-cutting areas	6	Not budgeted

Source: Based on Annex C.

**Outcome 1. Increased agricultural production to enhance food security**

- 1.1 Conducting an agriculture census covering crop, livestock, fisheries and related sectors
- 1.2 Market information and policy support (MIPS)
- 1.3 Capacity building for Hybrid Rice Production
- 1.4 Enhancing land consolidation and sustainable farm mechanization through establishment of model villages
- 1.5 Enhancing sustainable improvement in household food production and nutritional status through crop diversification, irrigation and income generating activities
- 1.6 Formulating policy and action plan for development of small holder dairy sub-sector
- 1.7 Reducing mortality and morbidity in village-based and small holder commercial herds
- 1.8 Develop seed supplies and hatcheries for groupers, sea bass, mud-crab through the provision of hatchery technologies
- 1.9 Development of studies on genetic management and improvement of brood stock of farmed Rohu (*Labeo rohita*)
- 1.10 Development of cold water species aquaculture in hilly regions

**Outcome 2. Improved food safety and quality**

- 2.1 Enhancing food safety and quality improvement of food products



- 2.2 Strengthening disease control systems which support, farm- and village-level services

**Outcome 3. Sustainable management of natural resources and the environment**

- 3.1 Improving food security & sustainable livelihoods through conservation & use of indigenous horticulture in Central Dry Zone
- 3.2 Strengthening of forest resource database management
- 3.3 Development of community-based coastal fisheries management and concomitant capacity building
- 3.4 Strengthening Integrated Pest and Disease Management
- 3.5 Conducting fisheries conservation & management studies through ecosystem appraisals & exploratory fishing
- 3.6 Strengthening of community forestry in degraded forests

**Outcome 4. Land use and Land Management**

- 4.1 Formulating policy and regulatory framework for land use
- 4.2 Efficient and sustainable land use planning
- 4.3 Completing land tenure registration process

**Outcome 5. Human resource development and institutional capacity building**

- 5.1 Improving National Actionable Programme for Poverty Alleviation
- 5.2 Strengthening the human resource and institutional capacity of Yezin Agriculture University (YAU), Department of Agricultural Research (DAR) and Rural Credit Institution
- 5.3 Forming of water user association and practicing of participatory irrigation management
- 5.4 Improving undergraduate training in veterinary science, upgrading in-service education, and strengthening the capacity in R&D of the Fishery Training Centre in Yangon
- 5.5 Enhancing of the capacity of the staff of MoCAF and University of Forestry

**Outcome 6. Rural livelihoods improvement**

- 6.1 Sustainable sericulture enterprise for subtropical mountainous areas
- 6.2 Development of small and medium enterprise aquaculture, including processing methods in rural areas

- 6.3 Development of forest dwellers' rural livelihood
- 6.4 Development of rural non-farm economy, including through cottage and agro-based industry
- 6.5 Rural electrification using hydro turbine generators installing in potential irrigation facilities

#### **Outcome 7. Preparedness for and mitigation of disasters and climate change**

- 7.1 Preparation of a hazard map and enhancing community food and agriculture service system
- 7.2 Community based rehabilitation of mangrove forests
- 7.3 Strengthening rehabilitation of degraded forests in the Central Dry Zone (CDZ)
- 7.4 Development of innovative & resilient dry land farming systems
- 7.5 Strengthening afforestation under the CDM/REDD<sup>3</sup> mechanisms
- 7.6 Assessment of the environmental quality status in major cities
- 7.7 Development of measures for controlling rapid spread of plant and livestock diseases
- 7.8 Introduction of salinity and temperature tolerant species for aquaculture

#### **Cross-cutting areas**

In addition, FAO will support capacity development in the following areas, through workshops, forums and hands-on trainings.

- 1. Strategy/action plan formulation
- 2. Policy analysis
- 3. Project formulation, evaluation and monitoring
- 4. Institutional capacity building
- 5. Partnership/network building
- 6. Mainstreaming gender in agriculture

#### **IV. CPF RESOURCE REQUIREMENTS**

Programmes and focused activities for the implementation of the CPF are identified, based on mutual consultation among GoRUM, FAO and development partners with estimated financial resources, as indicated in **Annex C**. The total resource estimate for the 39 prioritized focused activities/projects for the current CPF is US\$119.8 million. Mobilizing resources for these activities remains a top priority. A CPF is a living document and so priorities would need to be adjusted to address emerging needs and challenges, and unforeseen circumstances, during the implementation stage.

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<sup>3</sup> Reducing Emission from Deforestation and Forest Degradation (UN collaborative programme).

As with ongoing activities, resources will come from three sources: FAO, GoRUM and development partners. FAO's own resources are from TCP and TCP Facility (TCPF). A TCP can finance up to US\$500,000 per project, and TCPF has a total of US\$200,000 per biennium to support small projects for the formulation of project proposals, carry out assessments, studies, and other priority interventions. Contribution by GoRUM will lead to higher outputs and expanded outcomes for CPF. Priority areas of CPF are expected to be incorporated in the GoRUM work plan for implementation under cooperation of and in partnership with FAO. Other sources include Trust Funds from external donors, IFIs and Global Environmental Facility (GEF).

FAO and the GoRUM will work together to mobilize resources for the prioritized activities. This will include working with the major multilateral financial/funding institutions such as the Asian Development Bank (ADB), World Bank (WB), the OPEC Fund for International Development (OFID), and the International Fund for Agricultural Development (IFAD) and bilateral development partners. FAO has displayed its important role as a complementary partner with other donor agencies, especially in enabling the policy and operational environment for the major donors to provide critical funding for infrastructure support to agricultural development.

## **V. IMPLEMENTATION, MONITORING AND EVALUATION**

### **5.1 Implementation, including monitoring and evaluation, and coordination**

The CPF is co-owned by the GoRUM and FAO and the coordination and implementation mechanism is established based on this basic principle. In order to effectively implement the CPF, a national-level *CPF Steering Committee* (CPF-SC) and *CPF Technical Sub-committee* (CPF-TC) will be formed right after the endorsement of the CPF document. The CPF-SC will be comprised of Director Generals of concerned ministries including Ministry of Finance and chaired by Minister/Deputy Minister of National Planning and Economic Development (MNEDP) and the FAO representative. The CPF-TC will involve senior technical officials in relevant subject matters from all institutions under the line ministries and project personnel from concerned ministries. The CPF-TC is the coordinating and monitoring body of the implementation of the priority projects.

Soon after the CPF document is signed by the GoRUM and FAO, a donor briefing meeting will be organized to present CPF and seek donor funding.

Monitoring and evaluation of the CPF implementation will be carried out through regular meetings of the CPF Committees. The CPF-TC would meet at least twice a year while the CPF-SC would meet once a year. *Ad hoc* committee meetings will be held as and when needed. The CPF-TC will prepare brief reports on its meetings while a more detailed report will be prepared on an annual basis. These reports will be submitted to the CPF-SC for clearance and endorsement, and used as the basis for the annual *CPF Implementation Review Workshop*.

### **5.2 Short-term Implementation Plan**

A Short-term Implementation Plan is prepared and attached to CPF document (**Annex D**). This plan will be used to accelerate the implementation of CPF. The MNPED will

coordinate the implementation of CPF Short Term Implementation Plan in close consultation with line ministries through periodic meetings of the CPF-SC. During the implementation of the CPF, the Government may seek technical support from FAO. The implementation plan for the next 15 months is attached as **Annex D**.

## **VI. CONCLUSION**

Blessed with rich endowments of agricultural, natural and human resources, Myanmar holds immense potentials to develop a vibrant agricultural economy that will not only minimize the incidences of poverty and hunger but will also contribute to transforming the overall economy. Indeed, with agricultural growth, Myanmar also stands to contribute to the regional food security.

The Government has been according increasingly high priority to agricultural development. Not only in investments in rural and agricultural infrastructures, this is also evident in recent policy reforms. The focus of the latest *National Strategy on Rural Development and Poverty Alleviation*, launched in November 2011, is largely on agricultural sub-sectors, rural economy and resource conservation.

The CPF has been formulated with these evolving trends and opportunities in mind. Although it is primarily designed as a framework for collaboration between the Government and FAO, its usefulness goes much beyond that. It is also a document that identifies priority areas for support to the agricultural sector in general, and so it should also be equally useful for all development partners working in the agricultural and rural sub-sectors. FAO welcomes collaboration with other UN agencies and partner agencies including international and local NGOs in implementing the CPF.