Western State Agribusiness Project

Project duration: 20 May 2020 – 19 May 2024

(Note: This project was terminated on 1 June 2021. Due to military coup on 1 February 2021, the operating environment in Chin State and nationally within Myanmar has prevented CARE from implementing this project. The open conflict within Mindat township has meant that we have had to close our office there due to concerns for staff and partner safety.)

CARE as an implementing partners for the Mindat and Kan Pet Let of Chin State to implement the Western State Agribusiness Project (WSAP).

1. Overview of IP roles and responsibilities

Component 1:

- Responsibility for ensuring through consultation and participation in the selection and design of infrastructure works
- Undertake a number of consultation sessions with communities to be inclusive having wider benefits and adequately address equity issues among marginalized groups
- Establishment of effective participatory water management systems, and formation and/or strengthening of water user groups (WUGs), development of training curriculum for WUGs
- Work with the Village Tract Facilitation groups for O&M and cost-recovery mechanisms of drinking water supply schemes
- Disseminate information relating to health and hygiene awareness to communities and beneficiary households in collaboration with UNICEF

Component 2:

- The IPs will provide management, financial and technical support to implementation of the component.
- IPs will provide a technical expert to support the KC activities with particular focus on introduction of SALT in the uplands, as well as for livestock development.
- Lead operational support for social mobilization, land tenure activities (in consultation with DALMS) and value chain analysis and development.
- Formation and strengthening of SCGs and Rural Business Fund will be vested with the implementing partners

Proposed approaches to be implemented in line with considerations outlined below and in coordination with DRD and other departments as relevant for sub-component activities.

2. Goal, Objective, Outcomes, Key Results and Outputs
2.1 Project Goal

The goal of WSAP is to improve the social and economic status of rural households in a climate-resilient manner in the northern Magway region and southern Chin state.

2.2 Project Objective

The Project objective is to increase household incomes, food security and nutrition quality. Its investments focus on commodities and services that have comparative advantage, market demand and growth potential. It seeks to create optimal models of commercialized agricultural modernization and enterprise growth that are adapted to climate change and strengthen the resilience of ethnic groups and vulnerable households across the hilly/mountainous areas and central dry zone of Myanmar.

2.3 Project Outcomes

The Project has two target outcomes, namely: (i) access to productive and social infrastructure is improved; and (ii) the technological, financial and policy environment for small farmers and agribusinesses is enhanced.

The project is expected to directly benefit 76,810 households – 10,190 in Chin and 66,620 in Magway – that are comprised of 390,410 rural women and men. An additional 4,730 FTE jobs was also envisaged for the beneficiaries through WSAP support to SMEs, indirectly benefitting a significant number of households. Project benefits will be generated from improved infrastructure, land tenure, agricultural technology, market access, enterprise growth and financial services. Main beneficiaries will be small farming households, landless/tenant households, and off-farm households.

2.4 Key Result Areas

Targeted key results are increased incomes, incremental jobs, improved food security and nutrition, and secured climate resilience. The estimated cost per beneficiary household is US$ 327. The Project internal rate of return (EIRR) is estimated at 32% over a 20-year period.

2.5 Theory of Change

The project theory of change (ToC) is provided in the table below.
Goal: Improve the social and economic status of rural households in a sustainable manner in northern Magway and southern Chin

Development objective: Increase household incomes, food security and nutrition quality

Improved access to productive and social infrastructure, and strengthened capacity of government agencies and local organizations

Food security and nutrition improved; technological, financial and policy environment for small farmers and agribusinesses is enhanced.

- Rehabilitation of small and medium irrigation schemes and strengthen water user groups to ensure sustainability;
- Market linkages though investment in some rural access road;
- Investments in water storage tanks to improve home garden irrigation;
- Piloting land consolidation for lessons learned before scaling up.

- Improved access for farmers to knowledge, technology and services
- Sustainable improvement in land management practices and technologies
- Improved availability and diversity of food; health eating habits and care taking are adopted.

- Establishment of Knowledge Centers (KCs) managed by agri extensionist and village volunteer (VEWs, CHAWs) to provide technical advices to farmers and demo farms;
- Support the establishment and operations of common interest groups (CIGs) of various types;
- Support livestock raising;
- Piloting soil and land conservations and promote adaption of improved practices and technologies for soil and water conservations;
- Promotion of SALT, reduction of slash & burn (S&B practices)
- Piloting land titling in Chin state

- Improved access to financial services for small farmers and agribusiness actors
- Strengthening policy development for climate smart agriculture

- Support home gardening models and other activities to improve availability and diversity of nutritious food;
- Nutrition/WASH campaign (including cooking demonstration);

- Establishment of SCGs;
- Rural Business Fund (RBF) provides seed capital for SCGs on revolving basis and finance for CIGs in value chains;
- Refinancing some MFIs to promote onleading to WSAP-related activities;

- Policy advocacy notes based on evident-based studies;
- Value chain analysis to guide VC interventions and possible policy advocacy

Irrigated areas are expanded in a climate resilient way; some productive infras improved

Basic social infrastructure (water supply system, alternative energy solutions etc.) expanded

Capacity of participating government agencies and communities (VDC, O&M group, CIGs etc.) are enhanced

Basic social infrastructure

Capacity of participating government agencies and communities

Investment in some social infrastructures (domestic water supply, rain water harvesting ponds, alternative energy solution (solar panel system).

Capacity development for staff of the participating government agencies;
Capacity development for communities (VDC, other community-based organizations involved)

Investment in some social infrastructures

Capacity development for staff of the participating government agencies;
3. Project Components and Activities

The Project has two components: (i) Infrastructure Development, and (ii) Services Provision.

3.1 Infrastructure Development

The project will finance strategic investments in productive and social infrastructure, while building local capacity to ensure the sustainability of these investments.

3.1.1 Productive Infrastructure

The Project will finance: (i) rehabilitation of irrigation schemes to ensure adequate and reliable supply of water to farms; (ii) rural access roads linking farms to markets; (iii) irrigation technology for home gardens to ensure food security and nutritional diversity; and, (iv) land consolidation on a pilot basis. These investments will generate opportunities for increased incomes, reduce on-farm and off-farm production costs, and improve food security for communities and households. They will also improve water management, reduce water conveyance and application losses by 30-40%, improve drainage and reduce siltation, and conserve groundwater.

3.1.2 Social Infrastructure

The Project will invest in social infrastructure facilities, mainly at the household level, that are targeted to address the needs of women and the poorest households. Domestic water supply, rainwater harvesting, and renewable energy solutions will be eligible for support. Scheme selection will be participatory, sensitive to cultural considerations, and subject to social, technical, financial and environmental feasibility. Ownership, management, and operation and maintenance of all constructed facilities will be articulated carefully to ensure sustainability.

3.1.3 Capacity Building

The Project will build the capacities of the IWUMD and DRD (who are responsible for productive and social infrastructure, respectively) through the provision of technical assistance, strengthening of staffing and office facilities, increasing awareness of water, sanitation, hygiene and nutrition diversity issues, and capacity development in social mobilization.

3.2 Services Provision

The Project will invest in agriculture modernization and enabling financial and policy engagement services to optimize resource management, productivity and benefits in infrastructure investment.

3.2.1 Agricultural Modernization

The Project will invest in a range of agriculture, livestock and technical services to modernize production and trigger improvements in food security and nutrition, livelihoods, and economic returns. Service delivery to farming households will include land titling, technology transfer, skills improvement, access to
inputs and supplies, access to markets and information, contractual linkages, and access to financial resources. Climate-resilient sloping agricultural land technology (SALT) will be promoted. Service delivery to the landless will focus on technical and business management skills, micro-enterprise development and private sector linkages.

3.2.2 Financial Services.

Building on FARM experiences, the Project will support the financial inclusion for small farmers, livestock owners and the landless, while ensuring equal access for ethnic groups and women. It will invest in: (i) savings and credit groups to promote financial literacy; (ii) a Rural Business Fund to support micro-enterprises; and (iii) a line of credit to refinance project-related agriculture, livestock and enterprise lending operations of licensed financial institutions.

3.2.3 Policy Engagement

The Project will contribute to an evidence-based and inclusive policy framework for rural development in Myanmar, specifically related to its implementation experiences. It will focus on: (i) transition from shifting to sedentary agriculture and associated customary land laws; (ii) re-categorization of high-value commercial crops from non-timber forest products to agricultural or industrial crops; and (iii) agricultural service delivery and market linkages.

4. Project Coverage

4.1 Project Areas

The Project is implemented in southern Chin State and northern Magway region and, which share a common river basin. These areas have among the highest concentrations of poverty in Myanmar. While the two areas are adjacent to one another, their development contexts differ significantly.

Chin is targeted by the Project due to high poverty rates, relative isolation of the population, and vulnerability to land degradation resulting from increasingly unsustainable shifting cultivation. The state of Chin is one of the least developed areas of Myanmar, and its southern part is home to some of the most remote and isolated communities in the country. The most recent income survey (IHLCA, 2010) found a rural poverty incidence of 80% and rural food poverty incidence of 31% (compared with 5% nation-wide). The average landholding size is three acres per farming household. Farmers have historically practiced shifting cultivation but are increasingly adopting sedentary agriculture in response to changes in human settlement patterns, localized population pressure on land, and emerging market signals.

Magway is targeted by the Project due to its vulnerability to climate change, especially increasing droughts, desertification, storms and floods. While the Magway region is relatively less disadvantaged than Chin state, it has been subjected to a series of natural calamities and substantial losses of harvest in recent years. The rural poverty incidence is 28%, and 41% of households are moderately or severely food-insecure (as classified by the WFP).

The Project is implemented in four townships: (i) the Mindat and Kanpalet townships of the Mindat district in southern Chin state; and (ii) the Pauk and Myaing townships of the Pakkoku district in northern Magway region. These areas consist of 880 villages, approximately 98,500 households, and 461,000 people (Census 2015; Table 3). During implementation, project activities may be scaled up to adjacent townships, such as the Yesagyo Township, based on emerging Project experiences and availability of financing.
4.2 Project Beneficiaries

Project beneficiaries consist of: (i) small and medium size farming households in upland and lowland areas; (ii) livestock producers; and (iii) non-farming and landless households. Women and women-led households will be prioritized, while the youth – who are considered as the primary agents of change at community level – will be the focus of activities involving technological innovation and commercialization.

The Project is expected to directly benefit 76,810 households, 10,190 in Chin and 66,620 in Magway, which consist of 390,410 rural women and men. Project benefits will be generated from improved infrastructure, land tenure, agricultural technology, market access, enterprise growth and financial services. An additional 4,730 FTE jobs will be created and will indirectly benefit a large number of households. Key results will be increased incomes, incremental jobs, improved food security and nutrition, and secured climate resilience.