

Study of Cooperative Approaches to Farmer Organisations and Cooperatives in LIFT Partner Projects

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Micro-Credit Ratings International Limited, M-CRIL

542 Megapolis, Sohna Road, Sector 48, Gurgaon 122018 INDIA

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Preface

Scope and Objectives of this study

1 Introduction

UNOPS is the Fund Manager (FM) for the Livelihoods and Food Security Trust Fund (LIFT) in Myanmar. LIFT is a multi-donor fund committed to addressing food insecurity and income poverty and thereby achieving Millennium Development Goal 1. LIFT's overarching aim is to contribute to the national goal of sustainably reducing the number of people living in poverty and hunger in Myanmar, initially with the eradication of extreme poverty and hunger in Myanmar. LIFT works on various thematic areas and operates through a variety of implementation partners in 4 different agro-ecological zones of the country: the Dry Zone, the Uplands Zone (Kachin State, Chin State and Shan State), the Delta/Coastal zone, and in Rakhine State.

LIFT's impact strategy proposes "to allow smallholders with commercial potential to 'step up' the agricultural ladder; subsistence farmers to 'hang in' for food security and for landless labourers to 'step out' of agriculture, and into more productive sectors of the economy. In addition to eradicating poverty and enhancing socio-economic well-being, LIFT also has a strong learning agenda and intends to catalyse pro-poor development through continuous dialogue with policymakers and other industry stakeholders.

2 Study Background

LIFT's implementing partners (IPs) have been working since 2010-11 with farmers at the village level and have organised them either as informal community based farmers' organisations or more formally as cooperative structures and registration. Thus, the governance of the groups varies and their official status varies from informal to formal registered entities such as cooperatives.

Depending on the level of organisation and the underlying reasons for organising them together, the prospects for sustainability are different and the groups' acknowledgement by government services varies. Evidence from field monitoring visits indicated large differences in the effectiveness and sustainability of these farmers' organisations and approaches. This perception of varying effectiveness and sustainability of these farmers' organisations and approaches necessitated for a deeper analysis of these approaches and the farmers' organisations. LIFT therefore commissioned a study to review the approaches and the farmers' organisations to understand how well they work with farmers and respond to their needs.

3 Purpose and objectives of the study/assignment

The purpose of this study is to undertake a qualitative analysis of the **farmer organizations** promoted by different LIFT IPs in the Dry Zone, Delta and Shan State and to establish the relative effectiveness of the different approaches used which are best suited for replication and scaling up. Detailed terms of reference are contained in **Annex 1**.

3.1 Objectives

The objectives of the study are as follows

- 1 Establishing the relative benefits and prospects for wider application and scale up of farmer organization approaches used by LIFT IPs. In particular:
 - Identifying and reviewing the existing types of farmer organisations supported by selected LIFT IPs, analysing their relative purpose, merit and approach to providing support. Identifying the weaknesses and strengths of each (SWOT).
 - From the perspective of external support, providing a value for money analysis of each farmer organization type and discussion on the cost-effectiveness of approaches
 - Investigating the relationships of the farmer organizations with other stakeholders within and outside the villages (village development organisations, village and village tract administrations, township government and the business community)
 - Investigating the economic benefits for farmers from farmer organization membership, especially with respect to contract farming and access to premium markets for higher quality products.
 - Comparing the services and benefits received from membership with the demands and needs of farmers.
 - Investigating the changes (benefits and dis-benefits) farmers have experienced after joining an organization with respect to access to credit, markets, input supplies and other important issues.
 - Comparing the approaches and the evidence in support of their advantages and disadvantage and clear rationale for their replication or scaling up.
- 2 Based on the lessons learned, identifying and suggesting improvements to each of the distinct farmer organization approaches.
- 3 Identifying possible entry points and opportunities for LIFT to engage with public and private stakeholders to improve the use of farmer-based organizations in Myanmar.

The study findings will be shared through a workshop with LIFT's partners and will be available publicly.

4 Approach to the study

The study team adopted the following methods for the study

- Briefing meeting organised by LIFT with the study team in Yangon at the start of the study for clarifying the objectives of the study and for selecting the IPs' projects for the study. During the meeting, 4 projects and their respective approaches to promoting farmers' organisations were identified.
- Desk review of relevant existing documentation including on LIFT partner projects
- Visits by the study team to 4 LIFT projects selected in the Delta, Central Dry Zone and Shan State to identify and analyse the approaches to farmer organisations by the IPs.
- The consultant visited the work of either one partner of a consortium implementing the overall project or the single partner implementing the entire project. In the case of the WHH/Gret project, only the GRET portion was covered. In the case of Oxfam with its partner, only the Oxfam part implemented around Thazi was covered.
- In order to understand, analyse and review different approaches to farmers' organisations, the study team organised detailed structured interviews with the

governing/management teams of the respective farmers' organisations/community based organisations.

- In case of group approach to organising farmers, 3-4 such informal community based groups/organisations in different villages were visited to obtain a balanced view.
- Detailed Focus Group Discussions (FGDs) with the members of these organisations to obtain their views on different aspects of the respective farmers' organisations. The villages visited by the consultant team were decided by LIFT.
- Wherever possible, the study team identified and consulted with different stakeholders including project staff, service providers and equipment/machinery suppliers and business representatives.
- All the conclusions and findings in the report are based on information, observations and discussions with the ordinary members and management/governing members of the farmers' organisations covered by the study team. Since this is a consultancy report it is based on the observations, experience and judgement of the consultants. It does not make any claims to statistical validity.
- The study team developed checklists of questions for formal and informal CBOs, their members and other stakeholders. These checklists are in **Annex 2**.

The list of the respondents from the farmers' organisations covered in the study is provided in **Annex 3**.

5 Limitations of the study

The study team made all possible efforts to identify and interact with other stakeholders including service providers, Government officials, project staff and farmers not participating in the IPs' farmer organisations. While the study team managed to identify and interact with some of the necessary respondents with the support of project staff, it was unable to interact with some respondents mostly on account of their unavailability at the time of the field visit.

In almost all the farmers' organisations visited by the study team, the consolidation of financial information was not consistent and regular and thus no financial statements including profit loss statements and balance sheets were available. However, the team made an effort to understand the financial sustainability of the organisations based on detailed discussions with their governance/management teams and from fragments of information provided by them and the project staff.

The study team would like to thank LIFT, in particular Mr Harald Kreuzcher, Programme Officer, LIFT; U Than Tun and U Sein Myint from LIFT for providing the opportunity to M-CRIL to undertake this interesting study. The study team greatly appreciates the assistance provided by U Than Tun and U Sein Myint during the field visits undertaken by it.

Additionally, the study team would like to thank all the project staff of all the IPs and the respondents from the community based organisations visited for their valuable time in participating in discussions on the projects covered. Their names are listed in **Annex 3**.

Ashok Kumar, CEO, Livelihoods and BDS, M-CRIL + Team Leader for this study
U Aung Ngwe, National Consultant

Executive Summary

UNOPS is the Fund Manager (FM) for the Livelihoods and Food Security Trust Fund (LIFT) in Myanmar and LIFT is a multi-donor fund committed to addressing food insecurity and income poverty. LIFT's implementing partners (IPs) have been working since 2010-11 with farmers and have organised them as community based farmers' organisations. The governance of the groups and their official status varies from informal to formal registered entities. LIFT commissioned a study to review the approaches and the farmers' organisations promoted by IPs.

Purpose and objectives of the study/assignment

The purpose of this study is to undertake a qualitative analysis of the **farmer organizations** promoted by different LIFT IPs and to establish the relative effectiveness of different approaches which are best suited for replication and scaling up. The objectives are as follows

- 4 Establishing the relative benefits and prospects for wider application and scale up of farmer organization approaches used by LIFT IPs.
- 5 Based on the lessons learned, identifying and suggesting improvements to each of the distinct farmer organization approaches.
- 6 Identifying possible entry points and opportunities for LIFT to engage with public and private stakeholders to improve the use of farmer-based organizations in Myanmar.

Approaches to farmers' organisations by LIFT partners

The IPs of LIFT, covered by this study, are AVSI Foundation (Labutta, Delta), GRET (Bogale, Delta), Oxfam GB (Dry Zone) and TAG (Shan State). The approaches adopted by the IPs to farmers' organisations are summarised below.

AVSI Foundation (*project support ended; the cooperative is operational*) – AVSI promoted a cooperative of small holder farmers called Kyun Ayeyar Cooperative which was registered with 81 members in June 2014. It currently has 66 members.

GRET (*project support continuing*) – A consortium established by Welthungerhilfe (WHH) and GRET promoted informal community based organisations (CBOs) around different themes to enable them to deliver services to their members. The CBOs discussed below have 1,600 members from 66 villages.

- Community Agro-Economic Development Platform (CAEDP) – provides agriculture inputs on credit. The total number of CAEDPs is 10 with average membership of 35.
- Inventory credit (IC) – provides loans against paddy stored in the IC warehouse and sells stored paddy. The total number of CBOs is 5 with average membership of 24.
- Hire purchase (HP) – 9 HPs with average of 42 members provides loans for farm machinery.
- Small producer credit services (SPCS) – provides a small amount of credit to members in 40 villages; the total number of members benefitted is 619 through 9 CBOs.
- Seed Grower Groups (PGS) – 31 members from 13 villages and engaged in seed production
- Management Advice for Family Farms (MAFF) – provides advice on farming and livelihoods to 98 members from 66 project villages.

TAG (*project support continuing*) – a consortium led by TAG International Development (TAG) started implementing in January 2014 a LIFT funded project around beekeeping in Southern Shan State. Subsequent to awareness building around beekeeping and its benefits; the project organised training on basic beekeeping. Participants trained in beekeeping were organised into 21 village level

institutions called community based enterprises (CBEs) and the CBEs were provided with 50 bee colonies each and other beekeeping equipment. A total of 16-18 CBEs out of 21 are currently operational. An Apiculture Resources and Business Centre (ARBC) was established in Pindaya to promote honey production by CBEs, advanced beekeeping techniques and to coordinate with commercial honey producers to promote the overall honey sector in Myanmar. As reported, the project approach has been revised recently on the basis of project experience so far and the project now supports and works only with interested individual beekeepers who manage the beekeeping enterprises more effectively. With the revised approach, the commercial beekeepers have been made an integral part of the project co-owning and co-managing the ARBC.

Oxfam GB (project support ended) – A consortium led by Oxfam implemented the LIFT funded project to build resilient livelihoods in the Dry Zone during May 2011-June 2014. The project promoted membership organisations (MOs) of both farmers and landless workers with significant participation of women. Oxfam in Thazi along with its partner NAG in Minbu promoted a total of 64 MOs (informal without legal status) in the overall project. Oxfam, established 37 MOs in Thazi with about 4,600 members (estimated; with an average of 125 members in each MO). The study team learnt that only 29 MOs with about 3,600 members are currently operational and the remaining 8 are not working.

Purpose of different community organisations and benefits to members

Kyun Ayeayar cooperative (established by AVSI Foundation) has been providing services such as agriculture loan, rice milling, rice hulling/threshing, paddy storage facilities in its granaries, renting out of draught buffalos to members for ploughing and renting out a power tiller with trailer. The project provided finance to the cooperative to acquire these assets. Most of the members find the services of the cooperative useful and cost effective. The members perceive credit, renting out of draught buffalos and paddy threshing facilities the most useful. Members appear to benefit more than non-members.

GRET's Community based organisations (CBOs)

Community Agro-Economic Development Platform (CAEDP) – CAEDPs sell different agricultural inputs such as paddy seed, fertilizer and diesel to members on credit, with 25-30% initial cash payment.

Inventory credit (IC) – ICs offer loans to members against stored paddy and seeds (65% of the value).

Hire purchase (HP) – offer credit to members for buying equipment (with 25% cash down payment).

Small producer credit services (SPCS) – SPCS CBOs offer small credit to members for the short and medium term for pig and duck rearing, agro inputs, material purchase and labour costs.

Seed grower groups (PGS) – Members are engaged in paddy seed production

Management Advice for Family Farms (MAFF) – provide advice on livelihoods/income enhancement

The members and the committee of CBOs find the services of useful and report benefits from them.

- ✓ CAEDP – members are able to access better quality inputs on time and thus increased farm yield
- ✓ HP – members are able to purchase high value equipment without any physical collateral and thus are able to undertake farm activities on time resulting in increased income
- ✓ IC – members are able to obtain loans against the paddy stored in the warehouse. With quality parameters laid down by ICs for paddy, the quality of paddy has also improved fetching better prices.
- ✓ SPCS – members are able to obtain credit to undertake various livelihood activities.
- ✓ PGS – members benefit from seed production which is highly remunerative
- ✓ MAFF – members receive good livelihood advice.

TAG's CBEs – CBEs formed were supposed to undertake day-to-day management of bee colonies and other related activities initially. However, based on the revision in the project approach, a few members of the CBEs are actively engaged in managing beekeeping activities. The majority of members including the active members are yet to derive significant benefit from CBEs.

Oxfam's MOs – during the project period the MOs undertook a number of activities including the provision of agriculture inputs such as seed, fertiliser and pesticides free of charge, farm demonstration, cash for work for landless people. Current activities of the 4 MOs visited are at highly variable levels ranging from significant (including credit in some MOs) to almost none. The members including farmers and landless perceive the credit service of the MOs as the most useful.

Absence of contract farming and very limited access, if at all, to premium markets for higher quality products

There do not seem to be any contract farming activities promoted by any of the community based organisations. The nature and range of services being offered at present by the CBOs except TAG to some extent are not geared to ensuring access to premium markets for higher quality produce. In case of TAG, ARBC is engaged in value addition and accessing premium markets to some extent.

SWOT analysis of different organisational approaches

- Different IPs established basic institution/platforms in different ways to bring together either small scale farmers or both small scale farmers and landless/vulnerable households.
- All the organisations have basic books of accounts and documents/manuals and they usually adopt transparent and participatory processes for selecting leaders and in decision making.
- All the organisations have assets and infrastructure facilities to different levels
- None of the organisations have specific business action plans and business projections and none of them have adequate capital or assets/infrastructure to expand and diversify their activities.
- The extent of service provision by MOs of Oxfam has reduced drastically after the project period.
- With the revised project approach, only a few members in TAG's CBEs are actively engaged in managing beekeeping activities.
- No value addition has taken place at the level of community based enterprises promoted by AVSI, GRET and Oxfam resulting in the lack of access to premium markets with high value products. TAG's promoted ARBC processes some quantity of raw honey produced by CBEs and the processed honey is sold in the premium markets as reported to the study team.
- Significant scope exists for adding and diversifying activities by GRET's CBOs and Kyun Ayeyar Cooperative
- If the institutional and financial issues of Oxfam promoted MOs are not addressed urgently there is a high risk that several of them will become unsustainable institutionally and financially and may collapse in the long run.

Relationship of farmers' organisations with Government agencies, stakeholders and market actors

After the project period, it appears that in most of the cases, linkages with government agencies, either do not continue in any meaningful way or they are just a formality, if any exist at all.

AVSI which promoted Kyun Ayeyar (KA) Cooperative developed linkages with several agencies but only a few of them are continuing. Its linkage with the Agriculture Department for extension services have not continued after the project period and linkages with market actors are minimal.

GRET promoted PGS and IC deal with the Department of Extension/Agriculture. CAEDP, HP and SPCS have no continued links with any agencies except with respective village leaders to some extents. Depending on the activities and services, CBOs have business relationships with value chain actors.

TAG: During the initial project period, TAG had intensive support from the Department of Apiculture for training on beekeeping. It was reported that while DoA does not work directly with CBEs at the village level, it currently provides support to ARBC in migrating bee colonies to other locations. Additionally, TAG receives support from DoA on research and quality control related aspects. However, the study team observed that CBEs are unaware of such support by DoA to ARBC. The CBEs obtain support from ARBC and private commercial beekeepers.

Oxfam developed linkages with different agencies during the project period but these linkages with MOs have not continued meaningfully after the project to benefit the majority of their members. Some MOs appear to act as platforms for development work, which is certainly positive.

Comparative analysis of IPs' approaches to farmers' organisations

Advantages and disadvantages of different approaches on different parameters are discussed below

Extent of institutionalisation in terms of coverage of farmers by different approaches

The current coverage of farmers by different IPs in their CBOs varies from 66 members (in KA Cooperative) to about 3,600 in Oxfam's operational MOs. A large number of eligible farmers in GRET and AVSI villages are not presently involved. Households can potentially join TAG's CBEs but this requires specific skills before they can join. Oxfam has covered the majority of households in its project villages.

Quality of institution building by different IPs and its impact on sustainability

All the IPs have made efforts to establish governance/management teams and build their capacity. However, wide variations in the current capacity of the organisations on several critical aspects exist. The overall quality of institution building of GRET appears to be better than that of others. The current quality of institution building by TAG and Oxfam seems to be weak on several critical aspects.

One of the major issues in all the organisations promoted by IPs is the lack of adequate understanding about the business and commercial approach to service provision, identification and tapping of business opportunities, financial sustainability and, subsequently, growth. All the organisations lack business plans and projections and they lack the required understanding and skills to consolidate financial information and make financial statements to analyse business performance.

The use of project grant funds meant to support farmers/members

IPs use the grant funds meant for project farmers in different ways. Cash was distributed to several of the landless participants (cash for work) and it was an integral component of most of the projects. Some IPs provided this grant to farmers' organisations and it helped to build their capital to some extent. However, Oxfam used the grant for buying and distributing agro inputs free of cost.

Consolidation of several village level organisations at the apex level

Kyun Ayeyar has a simple institutional format. However, in the case of Oxfam, the village level organisations have not been consolidated at the next level via an apex organisation. ARBC promoted by the TAG project serves the purpose of an apex institution, as reported.

Some specific institutional issues related to GRET's approach

- Current institutional format of different CBOs in the same village appears to be complex. Membership in more than one CBO demands more time from ordinary and committee members

- Manuals of respective CBOs appear to limit them in expanding their scope of services/activities and also membership to some extent
- CBO's terms and conditions appear more favourable to farmers with larger landholdings.

Cost Effectiveness of IPs' approaches and recommendations

The intervention cost per participant in each programme and the cost per participant institutionalised through the project (cost per member of the farmers' organisations) have been used to determine the cost effectiveness of different approaches of the IPs.

The Oxfam approach to the project, in terms of the coverage of participants by the project (4,600 participants at an intervention cost of US\$281 per participant) and at the institutional development level (3,600 members at an intervention cost of US\$359 per participant) seems to have done better than the other approaches. However, given the current low level of service provision and the current status of MOs, these need further consideration. Even though AVSI has a cost-effective approach in terms of the total number of participants covered (US\$381) compared to that of GRET and TAG, its cost per member of the institution is very high (US\$3,760). TAG has done better than AVSI at the institution level, the cost per participant at the project level makes TAG's approach significantly expensive as compared to the other approaches.

Overall, GRET appears to have better and more balanced cost effectiveness both at the project and at the institutional level *considering the overall quality of its institutional development compared to that of the other approaches.*

Benefit-cost (B-C) analysis

The benefit-cost analysis uses a 10% discount rate. In the case of TAG promoted CBEs, the current status of benefits accruing to the members is so limited that this analysis would not be meaningful.

Benefit cost ratios of projects implemented

Implementing partner	Total project budget (US\$)	# of farmers benefitting currently	Benefit-cost ratio
AVSI	304,557	66	0.25
GRET	1,805,256	1,300	0.42
Oxfam	1,293,477	820	0.14

The B-C ratio of the GRET project is better than that of the others though it is still very low relative to international standards where a B-C ratio of one is regarded as the minimum. Thus, none of the projects can be termed to be successful in value for money terms.

Returns on investment by farmers' organisations promoted by IPs

AVSI's KA cooperative – The current net return per year from the investment in assets of the cooperative is about half way (50-60%) of the required conservative returns at a rate of 12%.

GRET's CBOs – CAEDP and IC CBOs seem to generate an annual return of 7-8% on their investment and HP CBOs seem to generate a return of 10-12%.

TAG's CBEs – The returns to the CBEs work out to 2-3%.

Oxfam's MOs – Two out of 4 MOs visited, are currently engaged in providing some services and generate some incomes at the MO level resulting in returns to the extent of 7-8% on their investment.

Recommendations for improvement of operations & management of the farmer organisations

All the farmers' organisations promoted by the IPs require training and capacity building on consolidating information from basic books of accounts and developing financial statements and cash-flow statements, analysing business performance using various financial statements, action and business plan development and business projections, identifying business opportunities with potential and ways to tap them and overall business management. Other suggestions specific to respective farmers' organisations are summarised below.

Kyun Ayeyar cooperative of AVSI

- Increasing membership and reviewing its by-laws to accommodate other vulnerable groups (including landless participants). Credit can be one of the services for them
- Ensuring ownership of the cooperative by members by mobilising share capital & savings
- Ensuring increased utilisation of the cooperative's assets and facilities
- Undertaking a feasibility study for the expansion of membership and the addition of several other activities by the cooperative
- An in-depth analysis of the costing and pricing of different services of the cooperative. Introducing a revised and reasonable fee structure that can ensure the financial sustainability and growth of the cooperative as an entity providing services that enhance its members' incomes.

GRET promoted CBOs

- All the CBOs need to increase membership along with an expansion in their capital base and infrastructure
- Exploring the feasibility of simplifying the current institutional format. A simpler, linear model can act as a more effective driver for local economic activities. These could be supported by an apex institution for engagement at the collective and policy level, leading to increased operational and management efficiency at the CBO level
- Understanding the feasibility of diversifying into a range of activities. Value chains other than paddy, such as fisheries and pig rearing, should also be examined to identify opportunities.
- Reviewing terms and condition of CBOs' operational manuals to ensure that all categories of members are covered – important from the perspective of equity in a developmental setting.
- Allowing CBOs in devising/modifying strategies/rules based on the dynamic changes taking place
- Providing legal status to the apex institution to leverage bank finance and Government support
- Expanding the CBOs' capital base by existing and/or by new members and from external sources.

TAG promoted CBEs

- In view of the redefined roles as a result of the changes in the project approach, improving the CBEs in both institutional and financial aspects with guidance and handholding support in order to enable them to qualify as community based enterprises
- CBEs can consider involving other young people with an interest in beekeeping enterprises
- Financial contribution by members to enable them to own the CBEs and to build their corpus funds if the CBEs promoted have to play a meaningful role in the revised approach going forward
- Additional training to enable CBEs to understand the basic principles of CBEs and their purpose

Oxfam promoted MOs

- Regularly conducting meetings of the MOs (which appear to have stopped altogether). Thereafter, supporting them to improve the MOs on various institutional and financial aspects

- Promoting financial contribution by members to revived MOs to enable them to own a stake in the organisations and to enable them to build their own corpus fund to carry out various activities.
- Exploring of potential activities related to livelihoods by the MOs (not necessarily agriculture based, in drought-prone areas) to meet prevailing situation and the changing needs of their members
- Promoting the understanding that such MOs have to function commercially for sustainability. This is important keeping in mind the culture of free distribution of inputs during the project period.
- Members should be encouraged to contribute and keep their savings with MOs
- Providing the MOs legal status once they have a reasonable number of members (say, 50) in each MO to enable them to access loans from banks and obtain other government support.

Scope for scaling up and replication of different approaches

The scope for scaling up and replication of farmers' organisations is based on their relative status on the institutional and financial aspects besides reasonable consideration that these projects aim at promoting social capital at the community level which requires a relatively long timeframe.

AVSI promoted cooperative Kyun Ayeyar

It is perhaps still early to comment on this because the cooperative is only in its second year of establishment. Based on the present status, it appears that its institutional and financial progress needs further observation before it can be considered for scaling up/replication. The study team, however, believes that considering the age and with the improvements suggested, the cooperative can improve its operational efficiency and benefit-cost ratio.

GRET promoted CBOs

GRET appears to have better cost effectiveness both at the project and at the institutional development levels as compared to the other organisations. The GRET approach has yielded a better benefit-cost ratio than the other approaches though none of the approaches can be termed to be successful in an absolute sense. With improvements in the present institutional model and in the functioning of the CBOs, as suggested above, the approach could offer reasonable potential for benefitting farmers and other resource poor households. *Therefore, taking into account the cost effectiveness and current status of the overall quality of institution and sustainability in a relative context, it seems that GRET's approach, modified as suggested above, could offer the possibility for scaling up and replication.*

TAG promoted CBEs

The TAG project model has relatively low coverage and low cost effectiveness. Additionally, capacity and handholding support on institutional and financial aspects is needed if CBEs have to play an effective role in view of the revised project approach. The scope for scaling up and replication can be explored only after benefits start accruing to the members and at the sectoral level by ARBC through the revised project approach.

Oxfam promoted MOs

The overall coverage of members through MOs of the project appears to be impressive but the effective number of members (estimated by the study team based on discussions with visited MOs) currently benefitting from the MOs is very small. Certainly, in future, activities on the MO model should not be undertaken without a substantial and prolonged provision for institutional capacity building. The cost effectiveness and benefit-cost ratio of the approach coupled with the current quality of the MOs does not justify scaling up and replication. The scope for scaling up and replication can be

explored only after the MOs start functioning effectively as membership organisations and start offering appropriate services to their members sustainably.

Possible entry points and opportunities for LIFT

There does not appear to be a large number of strong and well-functioning farmers' organisations in Myanmar. Whatever limited number of such organisations exist in Myanmar, there is a lot of additional capacity building support needed to enable them to work as vibrant member-owned farmer organisations.

Experience from all over the region – Bangladesh, India, Indonesia, Nepal, Vietnam – shows **that 2-4 year project periods are insufficient for building lasting community institutions**. M-CRIL's parent organisation, EDA has direct experience and reasonable success over a 6-8 year period. Other similar organisations report the creation of sustainable institutions over an 8-10 year period. **LIFT would do well to work over extended periods of time with a few of the more effective community support models to ensure the emergence of sustainable community institutions in Myanmar.**

The following are suggestions for LIFT on the possible entry points and opportunities for the future:

- The farmers' organisations need to be transformed based on international standards and principles enabling them to serve their members sustainably. These farmers' organisations will need to work on all the basic elements of their economic value chains to leverage significant potential benefits for their members. In other Asian countries, farmers' organizations in addition to undertaking many activities collectively also facilitate efficient transfer of technology, provision of extension services and the facilitation of bank finance to their members.
- A scoping study can be undertaken to identify other possible farmers' organisation models and the need for additional capacity building of these organisations to bring them to the next level.
- Considering that the work related to farmers' organisations in Myanmar is at a nascent stage, it will contribute immensely to build the capacity of local staff/professionals and the organisations engaged in projects around farmers' organisations. LIFT can support the development of customised training and training of local staff/professionals for achieving better results.
- Some dialogue with the Government on possible amendments to the Cooperative Act to enable farmers' organisations to use this form of legal entity. LIFT can support studies to explore and identify suitable forms of organisations tried in Myanmar, beyond the projects sponsored by it.

Other possible opportunities likely to emerge

The new Government in Myanmar is likely to formulate policies contributing to overall economic growth through agriculture by modernisation and investment in the agricultural sector. This will support the millions of smallholder farmers and farm workers in the country. The emergence of appropriate policies to improve the agriculture sector and small farmers in particular, can offer a lot of opportunities for LIFT to engage with public and private stakeholders to improve farmers' organisations in Myanmar.

LIFT can play an important role and contribute to the development of appropriate policies for the agricultural sector and farmers' organisations. Bank finance and policies in support of farmers'



organisations can be reviewed and appropriate changes made to enable such organisations to access and meet their working capital requirements for undertaking farmer support activities.

At a later stage when the capacities of farmers' organisations are better developed, LIFT can consider supporting suitable events and workshops inviting stakeholders including input supply companies, exporters and equipment suppliers to integrate them effectively with the farmers' organisations for the overall benefit of the millions of small farmers and farm workers in Myanmar.

Chapter 1

Approaches to farmers' organisations by LIFT implementing partners

Implementing partners (IPs) of LIFT have been working on organising farmers and vulnerable households in project villages in Myanmar since 2010. As part of this study, the M-CRIL study team visited farmers' organisations promoted by 4 implementing partners (IPs) of LIFT. The implementing partners were AVSI Foundation (Labutta, Delta), GRET (Bogale, Delta), Oxfam GB (Dry Zone) and TAG (Shan State). Except AVSI Foundation, the other IPs partnered with other local agencies. The approaches adopted by the 4 IPs to farmers' organisations are outlined below.

1.1 AVSI Foundation – promotion of a small scale farmers' cooperative; a formal entity, project closed but the cooperative is operational

AVSI Foundation implemented the LIFT project during May 2011 to September 2014 in Pyinsalu sub-township of Labutta township in Ayeyarwady region. AVSI promoted a cooperative of small holder farmers called Kyun Ayeyar Agriculture Production General Servicing Cooperative Ltd (hereafter Kyun Ayeyar) in Pyin Ah Lan village tract in May 2013 (in the third year). The cooperative was registered with the Cooperative Department in June 2014. The cooperative started with 45 members and membership increased to 81 by the completion of the project. Due to drop outs of 15 members, the cooperative currently has a total of 66 members from 7 villages. The reasons for drop outs by the members include lack of interest, their inability to attend monthly meetings on a regular basis and the default on seed and loan repayment. While some members have left the cooperative voluntarily due to lack of interest or their inability to follow the rules of the cooperative, the others seem to have been forced to leave due to default in loan repayment. There are about 100 small scale farmer households in the project villages with potential to become members, as reported by the elected governing/management team of the cooperative.

1.2 GRET – promotion of community-based organisations (CBOs) of different categories; CBOs with informal status, ongoing project

A consortium established by Welthungerhilfe (WHH) and GRET implemented, during June 2011-June 2015, the LIFT funded project "Value Chain Development for Inclusive Economic Growth" in Central Bogale/Mawlamyinegyun Townships as part of its work in the Delta region. Currently, this project is continuing under the third phase (LIFT 3) of the programme. Institution building in the form of promoting CBOs and their capacity building to enable them to deliver services to their members is one of key approaches to the project. These CBOs are informal and have no legal status. GRET promoted different types of CBOs around various themes/activities. Except a few CBOs, all have been formed at the cluster level with members from 5-8 villages. About 60% of the farmers from different villages participate in the CBOs and are members in one or more CBOs. The different types of CBOs promoted are

- Community Agro-Economic Development Platform (CAEDP) – provides agriculture inputs on credit. The total number of CAEDPs is 10 with average membership of 35.
- Inventory credit (IC) – provides loans against paddy stored in the IC warehouse and sells stored paddy. The total number of CBOs is 5 with average membership of 24.

- Hire purchase (HP) – provides loans to access farm machinery. The total number of CBOs is 9 with average membership of 42.
- Small producer credit services (SPCS) – provides small amount of credit to members in 40 villages; the total number of members benefitted is 619 through 9 CBOs.

In addition to these 4 types of CBOs, there are two other groups

- Seed Grower Groups (PGS) – A total of 31 members from 13 villages
- produce paddy seeds Management Advice for Family Farms (MAFF) – provides advice on farming and livelihoods to 98 members from 66 project villages with an average of less than 2 members per village.

CBOs have a two tier structure – the first tier consists of CBOs at the cluster level while the next tier is the township committee.

Table 1.1 summarises the membership and geographical outreach of the CBOs in the project villages.¹

Table 1.1
Coverage of villages by different CBOs

Types of CBOs	# of CBOs or groups at the cluster level	# of members	# of villages (66 project villages)
CAEDP	10	347	34
IC	5	118	20
HP	9	381	38
SPCS - Groups at the village level	9	619	40
	# of loans disbursed	1,049	
	Loan amount disbursed (MMK; million)	117	
PGS	Like a group	31	13
MAFF	Like a group	98	66

All the CBOs together have a total of 1,600² members from 66 project villages. Not all the types of CBOs exist in every village, but usually there is more than one type in a village.

1.3 TAG – promotion of community based enterprises (CBEs), informal status, ongoing

The project titled, Plan Bee: Introduction and expansion of modern beekeeping and honey production in Southern Shan State was started in Jan 2014 by a consortium consisting of TAG International Development (TAG), being the lead partner, Dhanu Literature, Culture and Development Association (DLCDA) and Parami Development Network (PDN). The Division of Apiculture (DoA) under Livestock and Fishery of the Rural Development Department acted as project associate. The project is currently ongoing and will continue till March 2016.

¹ Figures provided by the GRET team

² There are cases that farmers have membership in more than one CBO. Thus effective number of household farmers in the institutions would be less than 1,600

The project started with awareness building around beekeeping and the benefits of beekeeping for the economy, people and farmers. A total of 29 villages were covered for the awareness building on beekeeping and benefits from beekeeping enterprises on crop yield and a total of 971 participants including 387 women attended the awareness programmes. Subsequently, training on basic beekeeping was given to a total of 490 people including 180 women from 21 villages. This was followed by advance training which was also attended by private commercial beekeepers.

Participants trained in beekeeping were organised into village level institutions called community based enterprises (CBEs). CBEs consist of 9-29 trained members each from 2-5 different villages. A total of 21 such CBEs with 328 members were promoted and about 60% of the members are from two townships – Taunggyi and Pindaya – the rest are from 3 other townships. About 65% of these CBEs have 14 or more members and 2 CBEs have 9 members. As reported by TAG, a local CSO called Sustainable Action for Rural Advancement (SARA) was engaged along with TAG staff members to build the capacity of CBEs over a 10 month duration. The majority of these CBEs were formed during April-December 2104 As part of promoting beekeeping, the project provided a total of 50 boxes to each CBE with bee hives/colonies with boxes, comb and frames – through loan from Apiculture Resources and Business Centre - and other beekeeping equipment such as honey extractors and tools. Thus CBEs started the initial beekeeping enterprise with 50 bee colonies. Subsequently, TAG provided an additional 20-40 bee colonies/boxes on loan to one of the members of 11 CBEs out of the 21 CBEs – 9 members were provided with 20 boxes each and 2 members with 40 boxes each. These members have individual ownership of the bee boxes/colonies. The members receiving the additional bee boxes and colonies are usually the lead person who has shown greater engagement in managing the beekeeping enterprises of the respective CBEs.

A total of 16-18 CBEs with about 280-300 members out of 21 are currently operational. Some members in CBEs were trained in value added products like candle making and balm making. The bees of the remaining 3-5 CBEs have died and the boxes destroyed for various reasons; the CBEs are not operational any more. In two of the CBEs visited by the study team, it was learnt that some members were trained in candle making but the commercial production of these candles have not yet started according to the members.

The project has established the links of CBEs with private commercial beekeepers for migrating bee colonies to other locations and for the sale of honey produced by CBEs. Some of the commercial beekeepers also provide loan support and different inputs/equipment to the CBEs.

Additionally, with support from the project, an Apiculture Resources and Business Centre (ARBC) was established in September 2015 in Pindaya. The objectives of ARBC include the promotion of honey production by CBEs, promotion of advanced techniques in beekeeping and keeping in touch and coordinating with all commercial honey producers across the country. The ARBC has a variety of beekeeping equipment under the leadership of a Director.

As reported by TAG, the project approach has been revised recently on the basis of experience and the project supports and works only with interested individual beekeepers who manage the beekeeping enterprises more effectively.

1.4 Oxfam GB – promotion of membership based organisations (MOs), informal status, project closed

A consortium established by Oxfam with a local partner Network Activities Group (NAG) implemented the LIFT funded project “Building Resilient Livelihoods in the Dry Zone” in Thazi (Dry Zone) during May 2011-June 2014. The project was closed in June 2014. The promotion of Membership Organisations (MOs) has been a key approach of the project. MOs have both farmers and landless persons as members with significant participation of women.

Oxfam and NAG together established a total of 64 MOs in 64 villages in Thazi and Minbu. Oxfam promoted 37 MOs (including 15 in 2013) with about 4,600 members initially – women’s membership in the MOs is to the extent of around 50%. Membership in MOs is in the range of 75-200 as reported by the 4 MOs visited by the study team. These MOs are informal and have no legal status.

The study team learnt that only 29 MOs with about 3,600 members are currently operational and the remaining 8 are not working. Thus, this project had a much higher coverage of farmers and landless families through MOs at the beginning as compared to the other institutional formats implemented by the LIFT IPs.

Chapter 2

Purpose of different community organisations and benefits to members

Different types of community organisations attempt to meet their purpose through different activities and providing varying sets of services to their members. This chapter describes the activities being carried out and services being provided to their members. It also discusses the relevance of different services from the members' perspective and the benefits perceived by their members.

2.1 Activities and services offered by Kyun Ayeyar cooperative

The cooperative has been providing services such as agriculture loan, rice milling, rice hulling/threshing, paddy storage facilities in its granaries, renting out of draught buffalos to members for ploughing and renting out power tiller with trailer, which is no more operational. The project provided financial support to the cooperative to acquire these assets including the rice milling plant and its premise, 6 threshers, a trailer with jeep, buffalos and the construction of storage/granaries.

Benefits perceived by members

Most of the members find the services of the cooperative useful and cost effective. The members perceive the provision of credit, renting out of draught buffalos for agriculture and rice threshing facilities the most useful. According to the members, there are equal benefits and opportunities to all the members in view of the availability of assets and infrastructure with the cooperative. Members appear to benefit more than non-members in terms of timely threshing of paddy and milling, better price realisation from produce by 15-20% as a result coupled with a reduction of production losses to the extent of 10%– yielding an additional gain in the range of 25-35%. The members seem satisfied with the current quality of the services of the cooperative. Some non-members of the cooperative also felt the activities/services of the cooperative were useful for its members.

However, the cooperative has a capacity constraint in the provision of some of its services. There is inadequate capital to meet the credit needs of members; most of the members still borrow from money lenders to various degrees. Currently, there are 42 buffaloes with the cooperative and 4 functional threshing machines (out of 6 provided by the project). But not all the members of the cooperative can hire the buffaloes at the same time. Members residing far from the milling plant face difficulties in transporting paddy to the plant during the rainy season when road conditions are poor. The cooperative currently does not link members to markets for selling their produce and does not sell agro-inputs. The members also express the need for adding other activities by the cooperative including the provision of sprayers, harvesters (as there is a scarcity of labour in the area), fuel (diesel for boat); diversification of loans for prawn raising, loans for vegetable cultivation, pig, goat and poultry and sale of agricultural produce of its members. They also want the cooperative to sell agricultural inputs.

The cooperative is not engaged in any value addition to farm produce except that it provides threshing and milling services to its members (and others) on a service charge basis.

2.2 Services offered by GRET's Community based organisations (CBOs)

Community Agro-Economic Development Platform (CAEDP) – These CBOs sell agricultural inputs such as paddy seed, fertilizer, diesel, pesticides and herbicides to members. Members pay 25-30% of the value of inputs as initial cash advance and the rest is on credit.

Inventory credit (IC) – IC CBOs offer loans to members equivalent to 65% of the value of members' produce primarily for paddy and paddy seeds which is stored for a period of 3-7 months in the warehouse funded by the project. The individual members have a choice of selling stored produce themselves or through the CBO which sells stored paddy to traders. Members enter into a formal agreement with the CBO in advance to avail the IC's services.

Hire purchase (HP) – HP CBOs offer credit to members through leasing to enable them to buy different types of equipment with 25% cash down payment by members. The CBOs finance equipment such as power tillers, diesel engines, threshers, water pumps and pipes, solar panels, boat engines, nets, motor cycles and sewing machines. There is more demand for power tillers and diesel engines during the rainy season and small harvesters during the summer.

Small producer credit services (SPCS) – SPCS CBOs offer small credit (ceiling MKK 200,000) to the members and others with less than 5 acres of land including landless. GRET with SPCS is extensively engaged in supervising and managing the credit funds. The loans are for the short and medium term including for pig and duck rearing, agro inputs, material purchase and financing labour costs. Loans are available for 3 cycles in a year – summer, winter and monsoon. About 75% of the loan portfolio consists of loans for pigs (50%) and duck rearing. The borrowers have to enter into a loan agreement with SPCS.

Seed grower groups (PGS) – Members are engaged in paddy seed production on 1-2 acres of land and DoE inspects the farms, test and certify the seeds. They were not termed as CBOs by the project team. Where ever there is a warehouse under IC, the PGS members are also members of the IC to use the facility of storing paddy seeds and obtaining IC. Paddy seed is stored separately from foodgrain paddy in the warehouses but the conditions are not ideal.

Management Advice for Family Farms (MAFF) – These groups were formed to provide advice on livelihoods and income enhancement to interested households in the operational villages. According to GRET, the purpose of MAFF is to improve farm management practices in a global view. As such farmers are members of MAFF and they have been receiving support/advice related to farming and overall livelihoods. MAFF members are connected through regular meetings (bimonthly cluster meeting) or sharing events (training and field visit) to build on experience sharing between villagers. They do not appear similar to other types of CBOs with institutional systems and processes. The support to the members appears to be on an individual basis (an average of less than 2 members per village).

Benefits perceived by members: The majority of the members and also the committee members from the various categories of CBOs stated that they found the services of the CBOs

useful and they had been benefiting from them. The benefits perceived by members are summarised in **Table 2.1**.

Table 2.1
Comparison of benefits from CBOs as perceived by members

CAEDP	HP	IC	SPCS
<ul style="list-style-type: none"> ✓ On time access to better quality inputs – sourced directly from companies and their authorized dealers rather than from retailers – with about 25-30% initial cash payment by members and thereby timely application of inputs to their fields ✓ As a result, increased productivity of 10-15% if the weather is favourable ✓ The members of one of the CAEDPs, which diversified into buying, storing and selling paddy received immediate cash payment and additional benefits were shared by the CBO when paddy was sold at a higher price 	<ul style="list-style-type: none"> ✓ Able to purchase high value equipment/machines with 25% down payment and without any other physical collateral ✓ Able to undertake different farm activities on time resulting in an increased income of about 20-25%. ✓ A number of individual members having bought equipment on hire purchase rent it out to other farmers in the villages and earn an additional income in the range of MMK 2-4 lakh/year. ✓ Increase in CBO/community credit fund with the interest income earned (60% of interest income is contributed to CBO capital fund). 	<ul style="list-style-type: none"> ✓ Able to access loans on reasonable terms against the paddy stored in the warehouse ✓ Cash is used primarily for agriculture activities ✓ Since IC has laid out certain quality parameters for paddy storage, the quality of paddy has also improved ✓ Members receive a higher price for paddy through collective sales to traders ✓ Issue of under weighing of produce by traders has also been addressed as the traders come to the warehouse to buy produce. 	<ul style="list-style-type: none"> ✓ Members are able to obtain credit for different purposes and access to credit enables them to undertake various livelihood activities.

PGS – members benefit from seed production as it is very remunerative, though very labour intensive. Unless members of the PGS are the members of other CBOs which have storage facilities to store paddy seeds, there will not be benefits from producing seeds by PGS members.

MAFF – members receive good advice but in order to derive tangible benefits in a reasonable manner, they need to be members of other CBOs such as CAEDP, IC or HP.

According to a non-member from a HP village, the CBO members benefit as they are able to purchase high value machines with little initial investment and loans at low interest. The members are able to complete farm activities on time, as a result.

The constraints of CBOs are summarised in **Table 2.2**. All categories of CBOs are currently constrained by lack of funds (in particular HP CBOs) and low storage capacity (IC and CAEDP). The relatively slow growth of capital funds from their internal operational surplus limits them from increasing membership and expanding their activities.

Members from a PGS CBO stated that in some villages there were no warehouses or IC CBOs and no project funds. Thus even though they are PGS members they tie up with other CBOs for storing seed and obtaining credit services.

Table 2.2
Capacity constraints of CBOs

CAEDP	IC	HP	SPCS
<ul style="list-style-type: none"> ➤ Inadequate fund availability to provide more loans to farmers and increase the membership of the CBOs 	<ul style="list-style-type: none"> ➤ Inadequate fund availability to increase loan size and to add more members to CBOs ➤ Lack of space for drying paddy to a moisture level of 14% as required by the CBO's ➤ Limited storage capacity in the warehouse ➤ There is a ceiling of 300 baskets of paddy that a member can store with the IC and receive loans against produce. Usually, members store 30-35% of their total produce and get credit against it while the rest has to be sold directly in the market. 	<ul style="list-style-type: none"> ➤ Lack of funds to add members - an HP CBO with 93 members currently has more than 150 eligible farmers from the villages this CBO covers ➤ Different private companies offer hire purchase with 6 months' instalments whereas the CBO collects on a monthly instalment basis ➤ The interest charged by the company is 1.2% per month flat as against 2% by the CBO but the cost of the equipment provided by the company on hire-purchase is usually 10% more 	<ul style="list-style-type: none"> ➤ Lack of funds as compared to the overall demand for loans ➤ The cluster committee has to manage things at the village level on the basis of decisions made at the township level sometimes creating problems if the decisions of the cluster committees are changed ➤ Low rate of growth of capital fund for on-lending.

Limited activity diversification by CBOs and inconsistency in service availability to members

Any one CBO offers a limited range of services to its members and thus is not in a position to meet all the diversified needs of its members. It is, therefore, not able to increase its members' income to any significant extent on its own. Additionally, the core element of all different types of CBOs is loan along some other related services.

Based on the presence of different types of CBO in villages, members are able to access a range of services provided but from varying combinations of CBOs and often not the full range of services. For members of those villages, where PGS and SPCS CBOs exist but the HP, CAEDP and IC CBOs do not exist, they are unable to get loans for machines and paddy, or agro inputs on credit despite participating in the CBO programme.

2.3 Activities of TAG's CBEs

All the Individual CBEs were supposed to undertake initially the day to day management of their respective bee colonies and beekeeping enterprises, extraction of honey, migration of bee colonies to other locations with assistance from commercial beekeepers, and sale of honey produce as well as maintaining all the records related to honey production and

business activities of the CBEs. With the revision in the project approach a few active members are engaged in managing beekeeping activities of the CBEs.

The Apiculture Resources and Business Centre (ARBC) was established with the objective of promoting honey production by CBEs, promoting advanced techniques in beekeeping and keeping in touch and coordinating with all commercial honey producers across the country.

According to TAG, ARBC is technically owned by the CBEs (though the study team is not sure how this could be the case) and all the CBEs are registered with the regional Association. But the study team was given to understand that the CBEs are informal in nature since it is not registered under any Government regulation. It was reported that the commercial beekeepers have become an integral part of the project over the past year and they play an important role in managing ARBC along with CBEs.

Benefits perceived by members

Beekeeping enterprises are yet to establish themselves by ensuring effective and reasonable participation of all the members of the respective CBEs. The majority of the members are yet to derive meaningful benefits from the CBEs. The beekeeping enterprises at each CBE are being managed by 3-4 members with 1-2 members taking the main responsibility – which is in line with the revised project approach. The magnitude of benefits to these 3-4 members are low currently as observed by the study team during the visits to some of the CBEs. In one of the CBEs visited by the study team, the member who is engaged full time during the migration period reported no payment made so far for his engagement except for the payment made for food expenses and beekeeping costs. The value of honey supplied by the CBEs to ARBC has been used to adjust the loans provided by the project to the CBEs for bee colonies and other equipment. The CBEs have supplied about 15-50% of the honey produced so far to ARBC and have sold the rest of the honey to private beekeepers.

2.4 Activities of Oxfam's MOs

The MOs undertook a number of activities including the provision of agriculture inputs such as seed, fertiliser and pesticides free of charge, farm demonstration, cash for work for landless people (digging of water reservoirs and tube-wells, pipeline formation), cash for piglet rearing, tree planting, storage building construction, training on agronomical aspects, nursery, post-harvest activities, mushroom growing and livestock breeding during the project support period. They were also engaged in renting out agricultural equipment like power tillers, threshers and seeders as well as storage space wherever constructed in the project area – usually for a charge. One MO is also engaged in a small way in selling the paddy produced by its members.

Activities by MOs currently: *MOs in the two villages visited had faced drought over the past 1.5 years so there was no paddy cultivation the MO's paddy equipment was unutilised.* Activities being undertaken by the MOs are at highly variable levels ranging from significant to almost none. One MO continues to rent out power tillers, storage space (intended initially as a commodity trade centre but discontinued upon closure of the project), community rice cooker and provides credit (loan amount MMK 10,000 for farmers and MMK5,000 for casual

labour). Another MO facilitates the sale of some members' horticulture and farm produce collectively to traders in an informal way without any facilitation charge. In addition, it is linked with the Village Administration on a government project called Green Village though without any fund allocation. A third MO provides credit in (in the range of MMK 0.1 - 0.3 million) from the savings mobilised from its members. This MO received MMK 1.9 million from the Township Development Committee to maintain roads. A fourth MO has not been engaged in any activities for its members since June 2014 except some work related to drinking water supply and the mobilisation of households for a civil society organisation, Mudita which is to support the farmers in increasing their production.

Benefits perceived by members

Only one MO provides more than one type of service though the members perceive MO services as useful and beneficial. The credit service offered by two MOs was perceived to be particularly useful by members. Members receive higher prices to the extent of 15-20% for their produce if the produce is pooled and sold collectively by MOs – as mentioned above one of the MOs visited facilitates the collective sale of farm produce including water melon, the area is famous for water melon produce. The MO does not levy a facilitation charge and there is no collective purchase and sale of produce as the MO does not have capital for this purpose.

Overall, different kinds of services the MOs could potentially offer to their members do not appear to continue for a variety of reasons such as drought (in some villages) and the lack of capital at all MOs.

2.5 Absence of contract farming and very limited access, if at all, to premium markets for higher quality products

The study team has the following observations about the activities being undertaken by the various types of farmer organisations covered

- There do not seem to be any contract farming activities being promoted by any of the community based organisations.
- There is some improvement in farm productivity and the quality of paddy as a result of timely completion of farming operations and the application of inputs on time.
- However, the nature and range of services being offered at present by the community based organisations promoted by AVSI, GRET and Oxfam do not seem to ensure access to premium markets for higher quality produce. Those that are engaged in trading and collective marketing are still dealing in raw produce and sales to village and township traders.
- The Kyun Ayeyar cooperative which has a rice milling plant and storage granaries is also not currently engaged in selling either raw paddy of its members on a collective basis or in any value addition. The other community based organisations are also not engaged in value addition and enabling members to access premium markets, such as exporters, either for raw produce or for value added products; though one of GRET's CBOs did indicate that it has plans to venture into processing and sales of value added produce to exporters and to traders in Yangon.

- In case of TAG project, ARBC buys part (about 15-50%) of honey produced by CBEs at a better price (one MO reported a 30% higher price) and processes this honey. The processed honey is sold in premium markets as learnt by the study team. However, information on the quantity of such honey processed and sold in these markets by ARBC and the premium price obtained and the subsequent benefits accruing to members as a result is not available.

Chapter 3

SWOT analysis of different organisational approaches

This chapter discusses the strengths/merits, weaknesses, opportunities and threats of different organisations promoted by IPs. These are summarised in the table below. Additionally, an assessment of these organisations on basic financial elements is presented in the latter part of the Chapter. Major highlights resulting from the SWOT analysis are summarised below.

3.1 Major highlights

- Different IPs established basic institution/platforms in different ways to bring together either small scale farmers (in case of Kyun Ayeyar) or both small scale farmers and landless/vulnerable households. All the organisations have basic books of accounts, and documents/manuals to carry out their activities.
- All the organisations adopt transparent and participatory processes for selecting governing/management committee members and decision making.
- All the organisations have assets and infrastructure facilities to different extents, usually project-funded to provide different services to members.
- None of the organisations have specific business business projections or roadmaps.
- None of the organisations promoted have adequate capital or assets/infrastructure to expand and diversify their activities.
- In Kyun Ayeyar cooperative the membership has decreased – from 81 to 66. GRET CBOs have seen a gradual increase in membership.
- While Oxfam appears to have mobilised a large number of members, the extent of the provision of services by the MOs after the project period has reduced drastically. In all the 4 MOs visited by the study team no meetings have taken place at the MO level after June 2014, except related to the credit activity wherever applicable.
- There are few members in TAG’s CBEs who are actively engaged and just one or two members from each CBE are engaged in managing beekeeping activities – this is in line with the changes made in the project approach as reported to the study team.
- No value addition at the level of community based enterprises by Kyun Ayeyar Cooperative though it provides processing facilities and provides milling services - resulting in the lack of access to premium markets with high value, processed products which have the potential to provide to both members and organisations to derive potentially much higher returns. Similarly, no value addition/processing by GRET’s CBOs

- TAG promoted CBEs require immediate attention and handholding support to ensure that they continue with the basic elements of community based enterprises in order to leverage these CBEs as the promoters of beekeeping in the region in future along with private enterprises based on the revised approach by TAG.
- Oxfam promoted MOs require immediate attention to ensure that they are effectively operational and offer meaningful services to their members on a sustainable basis.
- It is likely that if urgent steps are not taken a number of organisations promoted by TAG (even with the revised project approach when CBEs are to play a meaningful role going forward) and Oxfam will become non-operational in the short or medium term.

3.1.1 Strengths/merits

Kyun Ayeyar Cooperative – project support ended	GRET’s CBOs – ongoing project support	TAG’s CBEs – ongoing project support	Oxfam’s MO – project support ended
<ul style="list-style-type: none"> ✓The project appears to have a basic platform with members’ participation in decision making and conduct of regular meetings ✓The members show a basic understanding of functioning of the cooperative and their overall responsibilities as members ✓The cooperative maintains the necessary documents and information though there is significant scope for improving information on accounts and financial management ✓The cooperative received a number of assets and infrastructure from the project to provide various services to its members on a sustainable basis ✓Access to loan funds of MMK 6 million from Township Cooperative Syndicate for expanding credit services to members. 	<ul style="list-style-type: none"> ✓The CBOs are reasonably established as institutions and being managed in a participatory and transparent manner ✓CBOs have the systems and guidelines for executing and managing activities effectively ✓Reasonably good understanding and awareness among governance/committee and other members about details of the CBO’s functioning ✓Increase in membership in almost all the CBOs to varying extents and no drop outs in any CBO ✓A good system for sharing incomes of CBOs (except PGS and MAFF which do not have earnings) for different purposes including CBO capital growth ✓% incentive payment to committee members for their time and engagement in CBOs ✓Gradual increase in CBOs’ capital fund, even though in a small way (MMK 1 million per year) ✓Optimum and efficient utilisation of funds and assets by the CBOs 	<ul style="list-style-type: none"> ✓The CBEs have continued with their beekeeping enterprises managed by 2-3 members each despite this being a community enterprise with expected reasonable involvement of all the members of CEBs. As reported, this is in line with the revised project approach by TAG. ✓The project provided the required bee colonies and other equipment to all the CBEs to carry out the enterprise ✓The CBEs have the necessary documents and books of accounts though there is significant scope for improving the overall quality ✓Decision making seems participatory. 	<ul style="list-style-type: none"> ✓A large number of project participants (about 4,600) were institutionalised creating a good platform during the project period; women’s membership in MOs to the extent of 50% ✓MOs have the necessary documents and books of accounts though these have not been updated since June 2014, there is significant scope for improving its quality. ✓Decision making and the selection of governing/management team members seems transparent and participatory ✓Two out of 4 MOs visited still undertake some activities in a meaningful manner, and some members of these MOs still derive some benefits ✓A small one-time membership fee (MMK500-1,000) is charged by the MOs.

3.1.2 Weaknesses

Kyun Ayeyar Cooperative – project support ended	GRET’s CBOs– project support continuing	TAG’s CBEs – project support continuing	Oxfam’s MO– project support ended
<ul style="list-style-type: none"> ✓Lack of adequate initiatives from the cooperative to increase its membership base despite the drop out of 15 members and availability of about 100 potential farmers ✓Lack of systematic financial information and absence of consolidation ✓Lack of understanding in analysing financial performance of operations and that the cooperative needs to operate like a business entity to provide services on a sustainable basis ✓Lack of adequate understanding of costing and pricing of different services ✓Cooperative by-laws do not allow other than small scale farmers to become members ✓Power tiller with trailer not currently used productively and two of the threshing machines not operational ✓Capacity utilisation of the rice mill and granaries appears to be low ✓No savings mobilisation from members despite the provision of credit services ✓No share capital from members and limited contribution by members in the financial stake resulting in a limited sense of ownership by the members ✓Absence of specific business plans and business projections going forward 	<ul style="list-style-type: none"> ✓Multiple membership of farmers in different CBOs demanding more time from them ✓CBOs yet to bring a large number of farmers with potential into the institutional format ✓Limited value addition by CBOs including milling of paddy and processing ✓Limited activity diversification in most CBOs ✓Inconsistency in service availability to members – primarily depends on the existence of different types of CBOs in a particular village ✓Informal status of CBOs and township committees limiting access to institutional funds ✓Lack of an apex level institution federating CBOs ✓Relatively complicated institutional arrangement with presence of different kinds of CBOs ✓Current terms and conditions in operational manuals of some of the major CBOs appear to favour farmers with more land holding ✓Lack of adequate funds and storage capacity ✓Lack of consolidation of financial information at regular intervals and absence of financial statements resulting in inability to analyse business performance and take corrective steps ✓Lack of formal and specific action/business plans and business projections with CBOs ✓Limited members’ contribution to CBOs’ capital fund and thus limited financial stake of members 	<ul style="list-style-type: none"> ✓Only 16-18 CBEs out of 21 are operational and no meetings have been held for the last several months, in one case, the last meeting was in Oct 2014 ✓All the CBEs visited appeared to be weak on most institutional aspects ✓No thoughts as to how to address institutional issues going forward – most of the CBEs visited were blank on these questions ✓Just a few members left to carry out beekeeping activities for the CBEs ✓A large number of members inactive in CBEs and not contributing much – posing serious questions for institutional sustainability if left unattended ✓None of the CBEs seem aware of the changes in the project approach their redefined roles ✓Limited fund contribution by members in CBEs and lack of working capital with CBEs ✓Lack of clarity about how to proceed considering institutional and financial issues. 	<ul style="list-style-type: none"> ✓No meetings in MOs after June 2014 - posing serious questions about their sustainability ✓Out of 37 MOs, 29 apparently operational; 2 of the 4 MOs visited were not providing any meaningful services to the majority of their members ✓Grant money used for buying agro inputs and distributing these to members without any charge in addition to cash for acquiring assets/animals by members – serious implications for institutional and financial sustainability ✓Very limited or no funds with MOs ✓Out of 4 villages visited, two facing drought for the last 2 years and thus no utilisation of MO’s assets ✓No action plan on how to proceed in view of institutional and financial issues.

3.1.3 Opportunities

Kyun Ayeyar Cooperative -- project support ended	GRET's CBOs – project support continuing	TAG's CBEs – project support continuing	Oxfam's MO -- project support ended
<ul style="list-style-type: none"> ✓ An opportunity to increase membership (still more than 100 small holder farmers with potential in the project villages) and by reviewing the by-laws of the cooperative to accommodate other vulnerable project participants – credit service provision can be one of the services for the landless. ✓ Ensuring the true ownership of the members on the cooperative by mobilising share capital and savings (even in small amounts). This will serve twin purpose – will ensure financial stake of the members in the cooperative and mobilisation of own capital by the cooperative ✓ Ensuring optimum and increased utilisation of the cooperative's assets and facilities ✓ Expansion of buffalo hiring services and loan activities (the majority of the cooperative members still borrow from money lenders) ✓ Addition of several other activities including provision of sprayers, harvesters (as there is scarcity of labour in the area), diesel for boats, diversification of loans – for prawn raising, vegetable cultivation, pig rearing, goats, poultry. ✓ Sale of agricultural produce of members and agro inputs to members – based on feasibility study ✓ Could develop a road map for the cooperative. 	<ul style="list-style-type: none"> ✓ A large number of farmers in project villages with potential and eligible for becoming members ✓ Understanding the feasibility of diversification into activities with potential by respective CBOs ✓ Reviewing terms and conditions of the respective operational manuals to ensure all categories of farmers, even with small landholdings, are covered with a focus on those with less land ✓ Expanding the CBOs' capital base by infusing additional capital either by existing and new potential members and through external sources ✓ Increasing the asset/infrastructure capacity of CBOs to enable them to expand their scales of operation ✓ Strategy development by CBOs in a realistic manner on the basis of members' needs and not strictly adhering to the operational manuals to devise strategies for the future ✓ Bringing flexibility to CBOs in devising/modifying strategies and rules – based on the dynamic changes taking place and opportunities available 	<ul style="list-style-type: none"> ✓ CBEs can explore the possibility of engaging members who can make effective contribution to the CBEs in the future ✓ Apart from extracting honey and wax, exploring the possibility of extracting other high value by-products including pollen, bee venom and royal jelly ✓ Promoting financial contribution by members in different forms to enable the CBEs to build their own corpus and help to cover their working capital requirements – this is essential since some CBEs have obtained loans from money lenders at monthly interest of 10% and also from private companies. 	<ul style="list-style-type: none"> ✓ MOs promoted should devise appropriate strategies to ensure a meaningful existence for the purpose they were created ✓ There are several activities that can be started in respective MOs based on the existing and potential livelihoods of members even though there is drought. This way the large number of members organised into MOs can meet the overall objectives of their establishment ✓ Exploring the possibility of building MOs' capital to justify their existence in a practical sense and to enable them to provide services to their members.

3.1.4 Threats

Kyun Ayeyar-- project support ended	GRET's CBOs – ongoing project support continuing	TAG's CBEs – ongoing project support	Oxfam's MO-- project support ended
<ul style="list-style-type: none"> ✓If the cooperative does not increase its membership base and ensure the mobilisation of internal resources in the form of share capital and savings as well as loans from external agencies to expand the scope of its services, the cooperative might face serious issues in sustainability – both institutionally and financially. ✓Ongoing issues with financial sustainability can call into question the future of the cooperative 	<ul style="list-style-type: none"> ✓Severe competition to HP and CAEDP CBOs, in particular, from private players in future – this has started taking place already in the villages where HPs operate. Private companies offer hire purchase with 6 month instalments at a lower interest rate whereas the CBOs offer monthly instalments. Though other terms of private companies are unfavourable competition can still be an issue. ✓The existing CBOs' members might tend to acquire benefits to themselves with the expansion and growth of their capital base in due course and not be open to increasing membership, thereby reducing the utility of the organisations to the community as a whole ✓Delay or denial by CBOs in offering membership, in particular to those with less landholding and resources, beyond a reasonable timeframe could lead to frustration and tension at the social and community level ✓HP CBOs, in particular, can lose their relevance in the long run when all the potential members are able to access/build the needed equipment unless new members are added to the CBO. 	<ul style="list-style-type: none"> ✓If the institutional and financial issues of the CBEs are not addressed and removed even with the revised project approach, there is a high risk that several of them could become unsustainable institutionally and financially and eventually might collapse (in addition to the 3-5 that are already non-operational). 	<ul style="list-style-type: none"> ✓If the institutional and financial issues of the MOs are not addressed on an urgent basis, it is likely that the purpose of their promotion will not be served in the long run. ✓Additionally, if the members do not derive meaningful benefits for a long period, several of the MOs may fail to justify their existence and could eventually collapse.

3.2 Summary of assessment of organisation on basic financial parameters

Kyun Ayeyar cooperative – project support closed

Parameters	Assessment
Sources of revenue	Multiple sources – includes interest earned from loans to members, service charges from milling and threshing and charges from buffalo renting out
Surplus generation from operations	<p>On the basis of the last 2 years' operations, the cooperative can generate about MMK 5-6 million net surplus per year including interest from loans – assuming no major breakdown of machinery or significant additional expenses and no loan default on principal and interest. Income earning of MMK 5-6 million by the cooperative includes income of about MMK1 million from threshing service, 0.6 million from milling, 2.5 million from buffalos and 1.5-2 million from credit activity.</p> <p>Based on the investment of \$66,683 in assets and machinery as per the information from the project documents available, the return of at least MMK10 million should be targeted with a conservative return on investment of 12%. But with the current pattern of the cooperative, it appears just half way on the expected path to earning reasonable returns.</p>
Loans	A loan of MMK 6 million in July 2015 from the Township Cooperative Syndicate for on-lending to its members for agriculture purposes.

GRET's CBOs – project support ongoing

Parameters	Assessment
Sources of revenue of CBOs	<p>CAEDP – interest from loans, profit of 2-5% on sale of inputs, yearly membership fee and interest on bank balance</p> <p>IC – interest from loans, storage charge, margin from paddy sale, airtight bag sale, yearly membership fee and interest on bank balance</p> <p>HP – interest from loans, yearly membership fee, 3% charge of loan amount as running cost and Interest on bank balance</p> <p>SPCS – Interest from loans and yearly membership fee</p>
Surplus generation from operations	Almost all the CBOs generate a net surplus of about MMK1 million per year from their activities after meeting all the expenses irrespective of their number of members. The CBOs plough back the major part of the surplus to their capital fund. While the magnitude of surplus generated is relatively small to expand their scale of operations and to increase their membership base significantly in a timeframe, this certainly adds to their financial sustainability
Loans	None of CBOs reported any loans.

Note: no income sources reported by PGS and MAFF groups

TAG's CBEs – project support ongoing

Parameters	Assessment
Sources of revenue for CBEs	The sources of revenue for the CBEs consist of proceeds from raw honey sale and wax (to a limited extent). There are no other sources of revenue currently for the CBEs. Though training on candle and balm making to some members in a CBE (visited by the study team) have been imparted but the production of these products and marketing have not yet started commercially as reported by the members. A few members of some of the CBEs have been engaged by ARBC in its canteen and other activities but the evaluator is not sure how this can contribute to the CBEs in a significant way.
Surplus generation from operations	Cumulative net surplus so far in the range of MMK 0.08-1.42 million depending upon the quantity of honey produced which is dependent on the number of bee colonies available for honey extraction during each extraction period and the extent of the migration of bee colonies by the respective CBEs; current fund availability in the range of MMK 0.02-0.2

Parameters	Assessment
	million – as reported by the CBEs visited - after meeting expenses related to beekeeping and payment to some of the members of the CBEs, which is inadequate as working capital
Loans	TAG outstanding loans of MMK1.5-2.6 million for bee colonies and loans from money lenders in some cases at monthly interest of 10%.

Oxfam’s MOs – project support closed

Parameters	Assessment
Sources of revenue for MOs	Membership fees (one time), interest from credit if an MO is engaged in credit service, fund mobilised by two MOs from its members for the purpose. One MO where there is no drought, they rent out the asset and use the storage space and earn some income. But for two MOs there is no source of incomes for the last 1.5 years.
Surplus generation from operations	MOs engaged in credit activity generates some income and ploughed it back to building the credit fund. One MO reported a balance of MMK0.3 million but does not undertake any activities and the other reported MMK0.4 million.
Loans	No loans as reported by the MOs.

Chapter 4

Relationship of farmers' organisations with stakeholders & market actors

This chapter discusses the relationships of the community based organizations promoted by the IPs with other stakeholders including the Government at various levels and with market actors in the value chains in which they operate. The continuity of those relationships after the completion is critical to sustainability. As mentioned earlier, the projects of AVSI Foundation and Oxfam GB were completed in 2014, while the work by GRET and TAG continues. After the project period, it appears that in most of the cases, linkages with government agencies, village administration and township government either do not continue in any meaningful way or they are just a formality, if at all. The specific relationships of the different types of community based organisations with various stakeholders and market actors are discussed below.

4.1 Kyun Ayeyar Cooperative

During the project period, linkages with 13 different agencies were developed – as reflected in the project documents and the discussion with the cooperative governing team. In addition to the linkage with the Cooperative Department, with which the cooperative is formally registered, and the Township Cooperative Syndicate for the loan of MMK 6 million, it has continued its linkage with an NGO called Errie. It appears from the discussion with the cooperative team that other linkages are not continuing in any meaningful and purposeful way. There was no indication of linkages with either the village tract administration or township government. The cooperative has not continued its linkage with the Agriculture Department for extension services after the project period. The cooperative team believes it is very difficult to invite them for any training as the cooperative cannot meet the expenses related to travel and other expenses of the extension officers.

Linkages with market actors: Since the cooperative is not engaged either in agricultural input supply or in selling members' produce, their linkages with market actors is minimal. As a result, it has not realised its full potential as a farmers' cooperative.

4.2 GRET promoted CBOs

During the initial project implementation, WHH and GRET established a collaboration with the Department of Agriculture (DoA), Bogale Agriculture Technical Working Group, (BATWG), the Livestock and Breeding Veterinary Department (LBVD) and the Department of Cooperatives (DoC).

On the status of current relationship with stakeholders, PGS and IC reported that they interact and deal with the Department of Extension/Agriculture for different purposes as both of them deal with seeds, some ICs store seeds and provide credit against it. Since PGS members produce pure paddy seed which needs to be certified to qualify as seed, DoE provides them with a seed testing facility and inspection of seed farms from time to time – farmers do not pay a charge for inspection and seed certification but GRET pays for that as reported by GRET. IC CBOs also have links with DoE for selling the pure seeds of its farmer members stored in IC's warehouse.

The management committees of CAEDP, HP and SPCS mentioned having no continued links with any agencies except those with respective village leaders to varying extents. The extent of support from village leaders to respective CBOs varies – some village leaders support the CBOs in some ways but others do not, according to the committee members of the CBOs.

According to the GRET project staff, the linkages developed with DoA, Livestock are continuing and these are supportive in general. Additionally, CBOs and GRET have close relationships and a good rapport with village leaders. GRET keeps these agencies informed about the progress of the project on a regular basis and the authorities, being happy about this, provide the support needed to the extent possible. GRET invites them to its workshops and other events they organise from time to time. Government Departments also invite GRET to their township meetings and obtain, thereby, information and updates on project progress and its challenges. The authorities help in removing challenges wherever they can. But as mentioned above, during the visits to CAEDP, HP and SPCS CBOs, the management committee reported that the links with DoA and Livestock and support from them in any form were not continuing. Thus, it appears that the links of GRET with DoA and Livestock has not resulted in long term benefits to the CBOs except for PSG whose members receive testing and certification services from DoE.

Linkages with market actors: Depending on the activities and services they offer to their members, CBOs have business relationships with a range of market actors in the value chain. While HP CBOs interact with equipment and machine suppliers, IC CBOs have relationships with traders from villages and different townships to sell raw paddy. CAEDP CBOs have relationships with agro input suppliers including traders and various agro companies and with traders for the sale of paddy, if they carry out this activity along with the sale of inputs. SPCS and MAFF groups did not mention any relationships with market actors.

4.3 TAG promoted CBEs

During the initial period of implementation, the Department of Apiculture was intensively engaged as an associate partner of the project and imparted training to the participants on beekeeping along with the TAG technical team. It was reported that while DoA does not work directly with CBEs at the village level, it currently provides support to ARBC and the DoA staff members support the beekeepers of CBEs in migrating the bee colonies to other locations. Additionally, TAG receives support from DoA on research and quality control aspects. However, the study team observed that CBEs are unaware of such support by DoA. Additionally, there was no indication of any linkages either with the village tract administration or township government. The CBEs do obtain different support from ARBC including technical support in running the beekeeping enterprises.

Linkages with market actors: The project has made efforts to develop links of CBEs with private commercial beekeepers and these links are continuing. CBEs have been receiving different types of support from private beekeepers including their assistance in migration of bee colonies, guidance on migration sites, loan support and purchase of honey extracted from the CBEs' hives.

4.4 Oxfam promoted MOs

During the project period, linkages with different agencies were developed including Department of Agriculture (DOA), Livestock Breeding and Veterinary department, Industrial Crops Development (DICD), Township Development Support Committee, Members of

Parliament and with Government Departments for village infrastructure construction or renovation of schools, clinics, roads, bridges, electricity, irrigation channels.³ However, these linkages with MOs do not seem to continue and contribute in any significant/meaningful way to increasing the incomes of the majority of their members.

One of the MOs visited, however, has linked with the Cooperative Department, Myanmar Agriculture Development Bank and facilitated credit for some of its members in the past as reported. Additionally, this MO has collaborated with the Village Administration to implement a Government project called Green Village, with budget outlay of MMK 30 million. The MO is being used to support the implementation of the project but will not receive any funds from the project. The second MO has continued its relationship with the Township Development Support Committee and received MMK1.9 million to maintain roads. Similarly, another MO has linked with Mudita, a civil society organisation and it expects to receive support for its members but the MO is not clear and sure yet of this support. Thus, some of the MOs appear to act as platforms for carrying out development work, which is certainly positive. One of the MOs did not mention any links continuing with any government or promotional agencies.

Linkages with market actors: One MO engaged in activities of facilitating the collective sale of horticulture and farm produce has links with traders and transporters. Another MO has also undertaken some activities related to facilitation of collective sale of farm produce and pigs and therefore has these links even now. But these activities of the MOs do not generate any revenues, since these are carried out free of charge.

³ As reported in the project documents and some of these activities also reported by the MO committees.

Chapter 5

Comparative analysis of IPs' approaches to farmers' organisations

This chapter discusses the advantages and disadvantages of different approaches of IPs to promoting farmers' organisations. A number of parameters have been used to understand and analyse the advantages and disadvantages of different approaches

5.1 Extent of institutionalisation in terms of coverage of farmers by different approaches

Kyun Ayeyar cooperative	GRET's CBOs	TAG's CBEs	Oxfam's MOs
<ul style="list-style-type: none"> • Total number of small scale farmers in the cooperative 66 (81 in August 2014) – out of a total of about 800 (estimated) households directly participating in the project. • There is presence of about 100 more small scale framers in the project villages. 	<ul style="list-style-type: none"> • Total number of members in all CBOs, about 1,300, assuming 20% of the total of 1,600 members have multiple membership, out of a coverage of about 3,500 (estimated) households directly by GRET. • Presence of another 1,200-1,400 farmers in the project villages meeting the eligibility criteria of different CBOs. 	<ul style="list-style-type: none"> • Total number of members in all the 16-18 functional CBEs, about 280-293, out of which less than 50% are active. • 490 persons trained in beekeeping and about 1,000 participants attended the awareness building programme – as -per detailed documents provided by TAG to the study team 	<ul style="list-style-type: none"> • Total number of members about 3,600 with 29 MOs currently functional in Thazi township; women's membership to the extent of 50%. • Significant coverage including the majority of households in the project villages but there are several institutional and financial issues currently in their operations

As is apparent from the above, the coverage of the project farmers in the institution building process varies from 66 members (in Kyun Ayeyar cooperative) to about 3,600 members (in Oxfam's MOs in Thazi). Even though the extent of coverage of project participants into different institutional models, is based on the respective log-frame and proposals, it is an important element in the overall IP's approach to the institution development and building process and affects the number of participants covered and supported by each project intervention. Additionally, there are a large number of eligible farmer households in the project villages of GRET and AVSI Foundation promoted organisations, not presently involved. In the case of TAG, there could be potential member households but, since the beekeeping is a relatively technical activity, it requires specific skills before they can be considered as potential members. In the case of Oxfam, the majority of households in the project villages appear to have been covered. One of the possible reasons for higher coverage of households in the project villages by Oxfam could be its earlier engagement in the project area/villages before this project. It was learnt in one of the MOs that Oxfam had formed several groups in the village and they were merged during the promotion of the MO in this project.

5.2 Quality of institution building by different IPs and its impact on sustainability

All the IPs seem to have made efforts to varying extents to establish reasonable governance/management teams and build their capacity through training and exposure visits and through the introduction of different systems and guidelines. Different IPs have introduced different contribution elements from members to ensure institutional and financial suitability. However, the study team observed wide variations in the current capacity of the organisations on several critical aspects. The overall quality of institution building efforts of GRET appear to be better than those of others in terms of the overall understanding of the governing team in managing the CBOs and with the introduction of different elements to varying extents including membership fee (in most of the cases per year or per season) to build CBO's capital fund to ensure long term sustainability. CBOs have established a system of allocating their total earnings for different purposes including the contribution to CBOs' capital fund (60% in most cases), meeting the operational expenses, honorarium payments to committee members loan loss provision (in particular for HP and SPCS CBOs) and contribution to village development fund (by some CBOs). The study team observed some minor variations in the % sharing of income for different purposes across different CBOs. The payment of honorarium/incentive to their committee members by CBOs is not fixed and is in the range of MMK 10-15,000 in a year and usually depends upon the number of meetings committee members attend and the amount of income generated by CBO.

The quality of institution building by AVSI of the cooperative is relatively less effective. The current quality of institution building by TAG and Oxfam seems to be weak on several critical institutional aspects.

One of the major issues identified by the study team in all the organisations promoted by the IPs is the lack of adequate understanding (ranging from extremely low to inadequate) about the business and commercial approach to service provision, business opportunities and tapping them. financial sustainability and subsequently their growth. Additionally, all the organisations lack business plans and projections, essential to visualise the future course of action of the community organisations going forward. All the organisations appear to lack the understanding and skills needed to consolidate financial information and make financial statements and to analyse business performance at the organisational level. This is essential to ensure the sustainability of the organisations as business entities to facilitate periodic adjustments in their activities and business models. It appeared to the study team that all the IPs including GRET which despite introducing several of the good elements in CBOs promoted, have not built the needed capacity on the above aspects.

In case of Oxfam and TAG, the absence of reasonable membership fee (MOs charged one time fee of MMK500-1,000 and ECBs did not charge any membership fee), savings mobilisation and members' contribution even in small amounts in general; failure to organise scheduled meetings for months, weak financial status coupled with inadequate understanding on their part that they had been created to serve their members on a sustainable basis raise serious concerns about their institutional and financial sustainability going ahead. Even in Kyun Ayeyar Cooperative there is no share capital contribution, membership fee or savings mobilisation from members thereby limiting its ability to increase its corpus fund which is insufficient for any real expansion of its services.

5.3 The extent to which different organisations meet the diversified needs of farmers

While it is not possible for a farmer organisation to meet all the diversified needs of its members, the possibility of expanding and adding new services that may require limited capital on the part of the organisation initially cannot be ruled out. As discussed earlier, most of the organisations offer services which meet some of the needs of their members. Kyun Ayeyar cooperative is not engaged in input related activity, selling of farmers' produce and value addition though these are very important services to increase members' incomes. In the case of GRET, based on the types of CBOs that exist in a particular village the members are able to access different services to varying extents based on the resources and infrastructure available to them. In the GRET project villages, where more types of CBOs exist, members benefit by accessing diversified services (provided they are members in all CBOs) as compared to those members in villages where only 1 or 2 two types of CBOs exist. In the case of Oxfam, several of the MOs now offer only a limited range of services.

5.4 Consolidation of several village level organisations at the next level in the form of an apex level

Kyun Ayeyar being a cooperative has a simple institutional format. However, in case of TAG and Oxfam, the village level organisations have not been consolidated at the next level through any form of apex organisation. There are broader issues such as policy and regulatory challenges that can be addressed effectively by an apex organisation which can also act as a think tank. In the case of GRET, committees at the township level have been formed for the respective types of CBOs. And the township committees for HP and SPCS seem to be making some contribution at the CBO level too which seems to be working satisfactorily; in the case of the HP township committee, it develops links with the machinery/equipment supplier whereas the SPCS township committee recommends the borrowers and loan amount to them (GRET acts as the fund manager for the credit programme with support from SPCS but the final decisions lie with GRET). However, the study team is not clear about the roles of the township committees for IC and CAEDP when all the management and operational decisions are made by the cluster level CBOs.

5.5 The use of project grant funds meant to support farmers/members

Different IPs used the grant funds meant for members/project farmers in different ways. Cash was distributed to several of the landless participants under the cash for work programme and it was an integral component of most of the projects. This is certainly desirable and justified to enable landless people to acquire productive assets such as piglets, home gardens etc at the same time as undertaking infrastructure tasks like embankment renovation in the villages. However, the project grant for agro inputs provision was used in different ways by different IPs. Some IPs provided this grant money to respective farmers' organisations and it helped to build their capital to some extent to carry out the provision of inputs on a commercial basis. However, in the case of Oxfam the grant money was used for buying and distributing agro inputs to members free of cost. This type of approach to service provision by an institution sends the wrong message to members and could have negative implications for institutional sustainability.

5.6 Some specific institutional issues related to GRET's approach

Current institutional arrangements consisting of different types of CBOs in a village seem complex

Further, having several CBOs of different kinds in villages creates a somewhat complex structure requiring multiple memberships of farmers and duplication of operational and management efforts on part of CBOs and members. Such institutional arrangements require more time on the part of members to act as responsible members if they are the members in more than one type of CBO, which is usually the case. Additionally, despite the complicated presence of diversified types of CBOs, the institutional model fails to ensure that members in all the project villages can access all the services they need – since they are present only in some of the project villages. As is apparent from **Table 1.1**, important services offered by CBOs such as CAEDP, IC and HP are limited to about 120 to 380 members out of the total membership of about 1,300 being served by all categories of CBOs. Since credit (of course including some other activities) is the core element of the major types of CBOs, having diversified CBOs with different names adds complexity in the overall institutional arrangement pursued by GRET.

Membership of a farmer in more than one CBO to access different services

Typically, a farmer is a member in 2-3 CBOs in order to access different services in the GRET project. As mentioned above, this would perhaps demand more time on the part of both the members and committee members to ensure their effective participation in CBOs. Some committee members hold leadership positions in more than one CBO and this can also lead to dominance and undesirable cornering of benefits by a few members.

CBO's terms and conditions appear more favourable to farmers with larger landholdings

Discussion with one of the IC CBOs, revealed that farmers with limited landholdings of one or two acres were left out by the CBO since they produce smaller quantities of paddy and so want credit worth the entire value of their produce whereas the CBO offers only 65% of the value of the produce they store in the IC warehouse. Since increasing the proportion of credit to farmers with small landholdings will not increase the quantum of loan to the absolute levels received by large farmers it is difficult to see the logic of this limitation. A progressive approach to the provision of credit would seem more equitable.

Are the respective operational manuals of the CBOs limiting them in expanding their scope of services/activities?

All the CBOs have been executing their activities based on their respective manuals; these are necessary to carry out and manage their activities effectively. However, the impression of the study team is that just focussing on the manuals make them unable to explore and identify activities and business opportunities that are not included in the manuals. One example of this is that none of IC or HP CBOs undertakes any activities related to the supply of inputs to their members, though the members receiving credit against the paddy stored will most likely use the money for buying agro inputs. IC CBOs can add the sale of inputs as an activity and offer better quality fertiliser/pesticides and seed at reasonable prices to their members while generating additional surplus for the organisation. In a similar way, CAEDP can explore the possibility of providing loans for enabling members to buy farm machinery and equipment as well as supplying agricultural inputs to them.

Chapter 6

Cost effectiveness of IPs' approaches & recommendations

The cost effectiveness analysis of the approaches adopted by the IPs, undertaken in this chapter, uses whatever information on the budget, cost/price and operational data the IPs were able to provide. The AVSI Foundation and GRET analysis is more meaningful than that for TAG and Oxfam; the study team feels that given the current status of the latter two projects, the extent of benefits being derived by members of the organisations promoted by them is quite limited. To the extent possible, analysis of the different approaches has also been undertaken to reflect value for money. **This analysis is based on the best estimates possible** from the information provided mainly by the farmers' organisations since the IPs have not maintained any systematic information on farmer incomes or on returns to their interventions.

Later in this chapter specific recommendations have been made for improving the future outcomes of all the farmers' organisations promoted by the IPs.

6.1 The cost effectiveness of the overall project

Indicators such as the intervention cost per participant in each programme and the cost per participant mobilised and institutionalised through the project (cost per member of the farmers' organisations) have been used to determine the cost effectiveness of the approaches. Thus, cost effectiveness has been calculated both at the overall project level and, more specifically, for the mobilisation of farmers and others into the organisations formed.

In the case of the GRET project, allocations have been made while estimating the total number of project participants directly covered and the proportion of the total budget that can be attributed to the work of GRET relative to WHH. So, for the GRET part of the work in the overall project, the total number of direct participants covered by GRET was estimated on the basis of the number of villages where GRET made the intervention and the likely number of participants in these villages out of all the project villages covered by GRET and WHH. Using this information, the budget for GRET's work has been allocated on the basis of the proportion of coverage of participants by GRET out of all the participants covered by the GRET/WHH project as a whole. In the case of Oxfam, only the work in Thazi, undertaken directly by Oxfam and the corresponding budget, has been included in the analysis since Minbu, where Oxfam's partner NAG, worked was not visited by the study team. The outcomes of the analysis are presented in **Table 6.1**.

This analysis indicates that the Oxfam approach to the project, in terms of the coverage of total participants by the project (4,600 participants⁴ at an intervention cost of US\$281 per participant) and at the institutional development level (3,600 members of MOs at an intervention cost of US\$359 per participant) seems to have done better than the other approaches. However, given the current low level of service provision to the members of the MO's and the discontinuation of meetings in MO's after the completion of the project these numbers need further consideration from a value for money perspective.

⁴ It was learnt from the members in some MOs that Oxfam worked in the villages previously and had formed the groups of the households and the majority of the members from those groups were organised in the MOs

Table 6.1
Comparative costs of intervention

Implementing partner	Project budget or allocated budget (US\$)	# of farmers/others covered directly by the project (during the project period)	Cost of intervention per project participant (US\$)	# of farmers as members of organisations (institutionalised in farmers orgns)	Cost of Intervention/member (US\$)	Project period, years
AVSI	304,557	800	381	81	3,760	3.42
GRET	1,805,256	3,500	516	1,300*	1,389	4.00
TAG	716,341	490	1,462	312	2,296	1.83
Oxfam ⁵	1,293,477	4,600	281	3,600	359	3.17

* Adjusted number of members considering a household is a member in more than one CBO

Even though AVSI seems to have adopted a cost-effective approach in terms of the total number of participants covered by the project (US\$381) compared to that of GRET and TAG, its cost per member of the institution is very high (US\$3,760). TAG has done better on cost per member (at US\$2,296) than AVSI at the institution level, the cost per participant at the project level makes TAG's approach significantly higher as compared to the other approaches. However, these numbers related to TAG need further consideration from a value for money perspective considering that only a few members in CBEs are to be effectively engaged in the beekeeping activities and thus benefitting in view of the revision in the project approach.

Overall, GRET appears to have better and more balanced cost effectiveness both at the project and at the institutional level *considering the overall quality of its institutional development compared to that of the other approaches*. It could be the GRET project appears to be more effective because it is ongoing while the Oxfam project is closed. In practice, the early closure of the Oxfam project and its approach indicate a lack of application to both institutional and financial sustainability. GRET's approach shows a much greater commitment to sustainability though it is still not as great as it could be. However, due to the absence of a standard benchmark on the cost per member for such a project, it is difficult for the study team to make a comment on the appropriateness of the cost per participant even for GRET on a standalone basis.

6.2 Benefit-cost analysis

Table 6.2 presents a benefit-cost analysis of the AVSI, GRET and Oxfam approaches, where either the majority or some members are benefitting. The benefit-cost analysis uses a 10% discount rate. In the case of TAG promoted CBEs, the current status of benefits accruing to the members is so limited (just a few members paid for their time in managing the beekeeping enterprises) that this analysis would not be meaningful.

The benefit-cost ratio of AVSI is 0.25 units of benefit for every unit of currency invested/spent on the project; this can be improved considering the age of the cooperative coupled with improvements and changes as recommended below. It is apparent that the benefit-cost ratio of the GRET project is better than that of the other projects though it is still very low relative to the international standard of a ratio greater than 1 for successful projects. Thus, none of the projects can be termed (even remotely) to be successful in value for money terms. Detailed calculations, estimates and assumptions made for benefit-cost analyses of AVSI, GRET and Oxfam are contained in **Annexes 4-6** respectively.

⁵ Information on the project budget for implementing the programme in Thazi has been provided by Oxfam

Table 6.2
Benefit cost ratios of projects implemented

Implementing partner	Total project budget (US\$)	# of farmers benefitting currently ⁶	Benefit-cost ratio
AVSI	304,557	66	0.25
GRET	1,805,256	1,300	0.42
Oxfam	1,293,477	820	0.14

6.3 Returns on investment by farmers' organisations promoted by IPs

Returns on the investment in assets and capital of the various farmers' organisations is an important indicator to reflect the operational and financial efficiency of the respective farmers' organisations. These are discussed below.

Kyun Ayeyar cooperative promoted by AVSI

The current net return per year from the investment in assets and other infrastructure of the cooperative (which is valued at MMK 86 million as per the project reports) is of the order of MMK5-6 million as discussed earlier, which is about half way (50-60%) of the required conservative returns of about MMK10 million at a rate of 12% on the investments in the assets of the cooperative. The "required return" is the minimum that a commercial investor might expect.

CBOs promoted by GRET

The returns for different categories of CBOs have been estimated wherever possible based on the availability of information in the project documents on their assets and capital fund and accumulated surplus generated so far as reported by the respective CBOs. Based on the estimated value of assets and capital funds and the amount of surplus generated per year by these CBOs (CAEDP, IC and HP), the returns on investment calculated are as follows

Table 6.3
Returns on investment by CBOs on assets and capital

CBOs	Estimated value of assets and capital fund at end 2015 (mn MMK)	Amount of surplus generated per year by CBOs (million MMK)	% return
HP	7.6	1	13%
IC	12.0	1	8%
CAEDP	13.5	1	7%

- CAEDP and IC CBOs seem to generate an annual return of 7-8% on their investment of about MMK 12-13 million in fixed assets and capital fund.

⁶ While for AVSI cooperative the number is actual, for GRET and Oxfam these numbers are estimates based on detailed discussions with members and governing team members of the CBOs and MOs respectively

- HP CBOs seem to generate a return of 10-12% on their capital fund employed; this is relatively high as they do not have investments in fixed assets.

CBEs promoted by TAG

With an estimated investment of about MMK3.5-4.0 million in beekeeping enterprises and other equipment of CBEs (MMK 2.6 million for initial 50 boxes to all CBEs, MMK 1 million for additional 20 boxes to the lead person in some of the CBEs and about 0.5 million in other equipment/tools related to beekeeping) the returns to the CBEs work out to 2-3%. There is very little surplus earned by the CBEs (in the range of MMK0.02- 0.2 million) after making payments to their members engaged in managing the respective beekeeping enterprises – representing part of the labour cost at market price in managing the beekeeping activity.

MOs promoted by Oxfam

- Two out of the 4 MOs visited, which carry out some activities including credit in a small way and generate some interest incomes at the level of the MOs, generate returns to the extent of 7-8% on their investment in assets and infrastructure; the investment in assets and capital fund is relatively low, in the range of MMK1.5 to MMK4 million so far, with an average being MMK 2.87 million for 3 MOs. One MO with assets worth MMK 3 million does not generate any returns from their assets due to draught prevailing in the area. While the analysis and assessment of MOs are based on the sample of MOs covered by the study team, this to some extent reflects the status of these MOs on this particular MOs.

6.4 Specific views of the study team about farmers' organisations of TAG and Oxfam

MOs promoted by Oxfam

There is a reasonably high coverage and large membership in the MOs. There is scope for streamlining several of the MOs with capacity building and handholding support as 2 of out of 4 MOs visited by the study team have not been providing meaningful or any services to the majority of their members. Despite the relatively poor status of several of the MOs, a basic platform still exists in some of them and so the possibility can be explored of using the investments made in them by LIFT for benefitting the members after all.

CBEs promoted by TAG

- ✓ The benefits accruing to farmers in terms of increased farm productivity from beekeeping in the region and beyond in places where the bee colonies are migrated could not be assessed during the study as the study team could not meet those farmers. However, according to TAG, the increase in crop yield is in the range of 10-69%. There are clearly attribution issues in this assertion of yield increases due to improved pollination.
- ✓ ARBC can be a good resource agency in Southern Shan state and it can play an important role in promoting the beekeeping sector by making efforts to ensure an effective regulatory framework for the beekeeping and honey sub-sector in the country.
- ✓ The links of some of the CBEs with private commercial beekeepers can potentially drive them to continue producing honey with a few members; in time these members can act as change agents in the region and encourage others to undertake beekeeping activities.

6.5 Recommendations for improvement of operations & management of the farmer organisations

The study team would like to offer the following specific recommendations to improve the operations and management of the respective farmers' organisations promoted by the IPs. It is worth highlighting that the suggestions related to GRET's CBOs and TAG's CBEs (GRET and TAG support is ongoing as mentioned above) should be implemented at earliest by GRET and TAG. In case of Kyun cooperative promoted by AVSI and MOs promoted by Oxfam the appropriate plans and strategies need to be devised as to how different recommendations related to them can be implemented – in view of the closure of the project support.

6.5.1 Kyun Ayeyar cooperative of AVSI

- There is a need to increase membership of the cooperative and for reviewing its by-laws to accommodate other vulnerable groups (including landless participants). Credit can be one of the services that can be made available to members other than small scale farmers.
- Enabling the true ownership of the cooperative by its members by mobilising share capital and savings (even if in small amounts on a regular basis). This will serve the twin purpose of ensuring the financial stake of members in the cooperative, leading to actual ownership of the members, on the one hand, and the mobilisation of capital by the cooperative to expand and diversify its activities.
- Ensuring increased utilisation of the cooperative's assets and facilities to the extent possible to generate increased returns and surplus. This would entail undertaking a feasibility study for the expansion of membership and the addition of several other activities by the cooperative
 - Expansion of hulling and buffalo hiring services, expansion of loan activities (the majority of the cooperative members still borrow from money lenders in various proportions)
 - Addition of activities including provision of sprayers, harvesters (as there is scarcity of labour in the area), fuel (diesel for boats); diversification of loans to include, for instance, loans for prawn raising, for vegetable cultivation, pig rearing, goat rearing and poultry.
 - Sale of the agriculture produce of members and procurement of agro inputs for members to generate additional returns for the cooperative and bring benefits in terms of higher selling prices and lower purchase prices through collective trading.
 - Processing and value addition for some of the produce, followed by sales of the value added products in the market rather than just providing milling and threshing services to its members. The cooperative already has a rice mill and storage facility so adding other services would be relatively easy.
- Capacity building of the governance/management committee on financial management, business plan and projection development, cash flow management, business performance analysis, needs assessment of its members and identification of business opportunities. The training should be customised and imparted at a level that takes account of the understanding and education level of the members.
- An in-depth analysis of the costing and pricing of different services of the cooperative to ensure that the charges cover all expenses including depreciation and maintenance costs. Introducing a revised and reasonable fee structure that can ensure the financial sustainability and growth of the cooperative as an entity providing services that enhance its members' incomes.

- Promoting the cooperative in the project villages and educating some of the existing members and potential members about the basic principles of cooperative action.
- Possibly engaging one or two capable staff to manage the expansion of operations in due course.
- Developing action and business plans that can serve as a roadmap to the future.
- Exploring the possibility of engaging external Chartered Accountants to streamline the financial information system and preparing accurate profit and loss statements and balance sheets.

6.5.2 GRET promoted CBOs

- All the CBOs should make efforts to increase their membership, to include more of the farmers in the project area, along with an expansion in their capital base and infrastructure/assets.
- Exploring the feasibility of simplifying the current institutional format/arrangements. A simpler, linear model can be developed by consolidating the different categories of CBOs in villages to offer a range of services. These could be supported by an apex institution that can facilitate common services and hopefully lead to increased operational and management efficiency as well as garnering economies of scale in activities and services. Such a linear model could potentially act as a more effective driver in developing local economic activities.
- Understanding the financial and technical feasibility of diversifying into a range of activities covering the whole gamut of support activities – input supply, farm equipment hiring and leasing, soil testing, harvesting, threshing, milling, post-harvest processing, collective sale of farm produce and value added products. Value chains other than paddy, such as fisheries and pig rearing, should also be examined to identify opportunities for supporting the livelihoods of members.
- Reviewing terms and condition of the respective operational manuals to ensure that all categories of members are covered in a balanced manner with a focus on those with relatively less landholding and resources. This is important from the perspective of equity in a developmental setting.
- Allowing for flexibility to CBOs in devising/modifying strategies and rules based on the dynamic changes taking place and opportunities available; not strictly adhering to the operational manuals which seem to constrain their choices and actions.
- Providing legal status to the apex level institution proposed above to leverage institutional finance and policy support for the cluster level CBOs
- The apex institution mentioned above could be used to leverage support from the Government at different levels and to address other challenges and issues of a higher order, including the development of an environmental awareness plan for its members.
- Expanding the CBOs' capital base by infusing additional capital either by existing and/or by new members and from external sources.
- Increasing the asset/infrastructure capacity of CBOs to enable them to expand the scale of operations in order to meet demand for different services from a larger membership.

Training and capacity building on

Various capacity building support services and training will be needed in the future to help all categories of CBOs in improving their execution and management skills. These include

- ✓ consolidating information from basic books of accounts and developing financial statements and cash-flow statements

- ✓ analysing business performance using various financial statements including cash flow statements and financial analysis
- ✓ action and business plan development and business projections which will provide them guidance and roadmaps for the medium and long term
- ✓ exploring and identifying business opportunities with potential and ways to tap them
- ✓ overall business management
- ✓ identifying value addition and processing opportunities.

6.5.3 TAG promoted CBEs

Immediate steps to be undertaken

- In view of the revised project approach, there is a need to redefine and communicate the roles of CBEs and their members in the overall project model being pursued now. This would entail making improvements on both institutional and financial aspects with guidance and handholding support.
- Additionally, the CBEs can consider involving other youths with an interest in beekeeping enterprise and women can take some supportive role of managing institutional and account related aspects of the respective CBEs
- Promoting financial contribution by members in different forms to enable them to own the CBEs and to build their corpus funds at least partly to meet their working capital requirements – even with the revised approach to the project.

Immediate capacity building needs

- various institutional aspects including additional training and support to enable the CBEs to understand the basic principles of the organisation and its purpose
- more technical training on beekeeping

And then the following capacity building support in due course on the basis of revised roles for the CBEs

- ✓ consolidating information from basic books of accounts and developing financial statements and also cash-flow statements
- ✓ analysing business performance using various financial statements including cash flow statement and financial analysis
- ✓ action and business plan development with business projections to provide guidance and roadmaps for the future
- ✓ exploring and identifying business opportunities with potential and ways to tap them
- ✓ overall business management
- ✓ identifying value addition and processing opportunities.
- ✓ Consolidating the CBEs at the apex level and providing them legal status to enable them to access loans from banks and other sources to meet working capital requirements and to buy additional bee boxes and frames considering the nature of the enterprise.

6.5.4 Oxfam promoted MOs

Immediate steps to be undertaken

- Regularly conducting meetings of the MOs (which appear to have stopped altogether).
- Some members of MOs conduct informal meetings just for the credit operations. But they do not discuss MO level activities and no meeting minutes at the MO level are maintained. The study team, feels that several of the MOs can be revived.

- Thereafter, support will be needed to improve the MOs on various institutional and financial aspects with guidance and handholding support.
- Promoting financial contribution by members to revived MOs to enable them to own a stake in the organisations and to enable them to build their own corpus fund to carry out various activities. Some MOs have already started mobilising savings on their own probably to justify their existence; which is a positive indicator.
- During the meetings, it should be emphasised that the MOs need to explore potential activities related to livelihoods (not necessarily agriculture based, if some of the villages face a drought situation) to meet the changing needs of their members in the context of the overall situation in their villages.
- There is a need to promote the understanding that such organisations have to function on a commercial basis to become sustainable. This is important keeping in mind culture of free distribution of inputs and cash payment for acquiring assets by some members which prevailed during the project period.
- Since there are very limited funds with MOs, members should be encouraged to contribute and keep their savings with the respective MOs to be able to start credit services at least in the near future.
- Some basic action plan for the respective MOs on how to proceed in view of the institutional and financial issues. Though some activities like savings mobilisation by members and financial contribution to the MOs can be common to all MOs, the action plan should be based on the practical situation prevailing in each MO considering the availability and diversities of livelihood activities and should not be a standard action plan for all MOs. The study team believes that there are several activities which can be explored in the respective MOs. Some of the livelihood activities in the project villages that the study team came across are hair business, bamboo art work and weaving (in some villages some of these activities existed before the project). Can MOs explore how they can help their members in these value chains? This way a large number of members organised into MOs can justify their existence.

And then the following capacity building support in due course

- ✓ consolidating information from basic books of accounts and developing financial statements and also cash-flow statement
- ✓ analysing business performance using various financial statements including cash flow statement and financial analysis
- ✓ action and business plan development and business projections which will provide them guidance and roadmaps for the future.
- ✓ exploring and identifying business opportunities with potential and ways to tap them
- ✓ overall business management
- ✓ identifying value addition and processing opportunities.

Providing the MOs legal status once they have a reasonable number of members (say, 50 receiving a range of services and benefitting from them in a sustainable manner) in each MO to enable them to access loans from banks and obtain other government support would also be an important step in strengthening the organisations from the perspective of institutional sustainability. Working with member organisations is a long and difficult exercise needing a good understanding of community dynamics and patient work to build the capacity for collective action as well as technical capacities. Support of 1-3 years is insufficient for this. Experience from other parts of Asia – India, Nepal, Indonesia – shows that such capacities take a minimum of 5 years to build though the optimal period is 8-10 years.

Chapter 7

Scope for scaling-up & replication – opportunities for LIFT

Consideration of the scope for scaling up and replication of the farmers' organisations promoted with LIFT support must take account of both institutional and financial aspects including the overall value for money and cost effectiveness of the approaches. This chapter discusses possible entry points and opportunities for LIFT to engage with public and private stakeholders to improve the farmer organisations promoted by it and also other farmers' collectives in Myanmar in general.

7.1 Scope for scaling up and replication of different approaches

The scope for scaling up and replication of different farmers' organisations are on the basis of their relative status on the institutional and financial aspects in addition to reasonable consideration of the fact that these projects aim at promoting social capital at the community level which require relatively longer timeframe. However, on a standalone basis, none of the projects meets the international BC ratio required, as discussed above.

AVSI promoted cooperative Kyun Ayevar

It is perhaps still early to comment on this because the cooperative is only in its second year of establishment and still establishing effective processes for its activities. On the basis of the present status of the cooperative, it appears to the study team that its institutional and financial progress needs further observation before it can be considered for scaling up and replication.

The study team, however, believes that considering the age and with the improvements suggested in the previous chapters and appropriate capacity building support, the cooperative can improve its operational efficiency and benefit-cost ratio (currently at a very low, 0.25). The Delta region of Myanmar, being one of the biggest sufferers of Cyclone Nargis, needs vibrant organisations of small scale famers and other vulnerable households so that a range of services can be provided to members on a sustainable basis to enable them to improve their livelihoods and food security.

GRET promoted CBOs

While a number of improvements and additional capacity building support to different categories CBOs needs to be provided to ensure an optimal level of institutional coverage and impact on members, GRET appears to have better cost effectiveness both at the project and at the institutional development levels as compared to the other organisations. The GRET approach has yielded a better benefit-cost ratio as compared to other approaches though none of the approaches can be termed to be successful in an absolute sense. The overall quality of institutional development in the GRET project appears currently to be better than that of the other approaches. Even though the CBOs' coverage of members is relatively low compared to that of Oxfam, this is partly because of access issues in the spread of households in the Delta region. The overall number of 1,300 households being members of CBOs appears to be reasonable considering the nature of the region. With improvements in the present institutional model and in the functioning of the CBOs, suggested previously, the approach could offer

reasonable potential for benefitting farmers and other resource poor households by improving their livelihoods and food security. Though this conclusion could be tempered by the fact that the GRET project is ongoing, the overall model also appears to be potentially more efficient than TAG and Oxfam. The cooperative has too few members to be regarded as adequately tested so far.

Therefore, taking into account the cost effectiveness and current status of the overall quality of institutional development and level of sustainability in a relative context, it seems that GRET's approach, modified as suggested above, could offer the possibility for scaling up and replication. There is the possibility of graduating these farmers' collectives into more vibrant farmers' institution to support the livelihoods of small scale famers and other vulnerable households by providing a range of services to their members on a sustainable basis. However as mentioned above, even GRET model with the current level of their engagement with the members and the benefits accruing to them do not meet the international standards on the BC ratio. It will need far more capacity building and graduation towards collective activities undertaken on a sustainable basis than has been done until now.

TAG promoted CBEs

The institutional model promoted through the TAG project has a low coverage and low cost effectiveness. Additionally, capacity and handholding support on institutional and financial aspects is needed if CBEs are to play an effective role in promoting beekeeping in the region in view of the revised project approach. The study team did not observe significant awareness amongst the CBEs of their roles in view of the changes in the project approach.

The scope for scaling up and replication can be explored only after potential benefits start accruing to the members and the contribution made by ARBC at the sectoral level are quantified and the CBEs start contributing in a meaningful way in promoting beekeeping activities with their redefined roles. As mentioned before, the CBEs are being changed to private enterprises based on the project experience so far. Apparently such factors were not taken into account appropriately at the stage of initial programme design.

Oxfam promoted MOs

The overall coverage of about 3,600 members currently through institutionalisation in the form of membership based organisations of Oxfam's component of the project appears to be impressive but the effective number of members (about 800) benefitting from membership of the MOs is very small, at about 23% of the total member households. All the MOs need a substantial amount of capacity and handholding support on different institutional and financial aspects in order to make their activities more effective. Certainly, in future, activities on the MO model should not be undertaken without a substantial and prolonged provision for institutional capacity building.

The cost effectiveness and benefit-cost ratio of the approach coupled with the current quality of the MOs does not justify scaling up and replication. The scope for scaling up and replication can be explored only after the MOs start functioning effectively as membership based organisations and start offering appropriate services to their members on a sustainable basis.

7.2 Possible entry points and opportunities for LIFT

Farmers' collectives in different forms including co-operatives in different countries have been used in a meaningful and productive way for the members to improve their economic and social conditions. However, there does not appear to be a large enough number of strong and well-functioning farmers' collectives in Myanmar.⁷ The Team Leader for this study came across two other membership-based organisations of farmers and other actors in the paddy and rice value chain in Myanmar about 2 years ago. These are the Myanmar Rice Federation (MRF) and the Paddy Farmers' Association. Neither of these organisations was similar (in nature and activity) to those promoted through the LIFT supported projects of membership-based farmers' organisations.

Whichever form and whatever limited number of farmers' organisations exist in Myanmar, the study team believes that there is a lot of additional capacity building support needed to enable them to work effectively as vibrant member owned farmers' organisations serving their members and benefiting them in an effective way. The study team would like to offer the following suggestions for LIFT on the possible entry points and opportunities for the future:

- Support in furthering the capacity of the existing farmers' organisations and start-ups based on international standards and economic principles

Even though there are not enough farmers' collectives in Myanmar, there is significant potential in the organisations promoted by the LIFT-supported IPs, as discussed in this report, provided additional capacity building support is provided. The farmers' organisations need to be transformed based on international standards and principles enabling them to work effectively as sustainable organisations serving their members. These farmers' organisations will need to work on all the basic elements of the value chains (including processing and accessing premium markets for their produce) to derive significant potential benefits for their members. In other Asian countries, farmers' organizations in addition to undertaking several activities collectively also facilitate efficient transfer of technology, provision of extension services and the facilitation of bank finance to the members. In Thailand, the Philippines, Vietnam and Indonesia cooperatives and collectives of this type form the backbone of a vibrant rice industry.

- A scoping study can be undertaken to identify other possible farmers' organisation models and the need for additional capacity building of these organisations to bring them to the next level.
- Building the capacity of local staff and professionals actually engaged in implementing the projects that promote farmers' organisations and building the capacity of farmers' organisations in Myanmar. LIFT can consider supporting the development of customised training programmes and imparting training to local staff and professionals in this space. This is important as the work related to the farmers' organisations in Myanmar is at a nascent stage and capacity building of this kind can potentially contribute to achieving better results.
- Some dialogue with the Government might be helpful on possible amendments to the Cooperative Act to enable farmers' organisations to use this form of legal entity in a productive way in the future. It appears that the current Cooperative Act has several issues and does not provide flexibility to farmers' organisations to act as business entities. LIFT can

⁷ On the basis of secondary research on this aspect by the study team

consider supporting studies to explore and identify suitable forms of farmer organisations tried in Myanmar, beyond the projects sponsored by it, that could be considered by their IPs.

Other possible opportunities likely to emerge

Myanmar is likely to undergo intensive and rapid changes as a result of the establishment of the new Government. It is likely that the new Government will formulate and develop policies contributing to overall economic development through agriculture development to promote modernisation and investment in the Myanmar agricultural sector. This will support the country's millions of small-scale farmers and farm workers. The study team believes that the emergence of appropriate policies by the Government to improve the agriculture sector in general and small scale farmers and farm workers in particular, can offer a lot of opportunities for LIFT to engage with both public and private stakeholders to improve farmers' organisations in Myanmar.

With its experience of working with farmers' organisations, LIFT can play an important role and contribute to the development of appropriate policies for the agricultural sector and for farmers' organisations. Bank finance and policies related to finance to farmers' organisations can be reviewed and appropriate changes made to enable such organisations to access institutional finance more easily to meet their working capital requirements for undertaking activities of benefit for farmers.

At a later stage when the capacities of farmers' organisations are better developed, LIFT can consider supporting suitable events and workshops inviting stakeholders including input companies, exporters and equipment suppliers to integrate them effectively with the farmers' organisations for the overall benefit of the millions of small farmers and farm workers in Myanmar.

Annex 1

Terms of Reference

Project: Livelihoods and Food Security Trust Fund (LIFT)

Supervisor: Programme Officer (LIFT)

Study of cooperative approaches to farmer organizations and cooperatives in LIFT partner projects, Myanmar

1. Introduction

UNOPS is the Fund Manager (FM) for the Livelihoods and Food Security Trust Fund (LIFT) in Myanmar. LIFT is a multi-donor fund (2010 – 2018) with the overall aim of reducing by half the number of people living in poverty. It is driven by the conviction that pooling donor resources enables programme coherence and leads to greater impact. The Donor Consortium of LIFT comprises of Australia, Denmark, the European Union, France, Ireland, Italy, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom and the United States. From the private sector, the Mitsubishi Corporation is also a donor.

LIFT's goal is to contribute to the national goal of sustainably reducing the number of people living in poverty and hunger in Myanmar. LIFT pursues this goal through its purpose: to increase the incomes and nutrition status of poor people in Myanmar by promoting resilient livelihoods and food security. LIFT realises this purpose by focusing on four interdependent purpose level outcomes:

- Increased incomes of rural households
- Increased resilience of rural households and communities to shocks, stresses and adverse trends
- Improved nutrition of women and children
- Improved policies and effective public expenditure for pro-poor rural development

Within these purpose level outcomes, LIFT works to achieve and track the following eight programme level outcomes:

- Increased sustainable agricultural and farm-based productivity amongst smallholder farmers (includes livestock, aquaculture and agroforestry)
- Improved market access and market terms for smallholder farmers
- Increased and safe employment in non-farm activities for smallholders and landless
- Increased access to adequate and affordable financial services for smallholders and landless
- Improved nutrition, sanitation and hygiene practices
- Safeguarded access to and sustainable use of natural resources for smallholders and landless
- Strengthened local capacity of communities, local government and civil society organization (CSOs) to support and promote food and livelihoods security
- Generation of policy-relevant evidence regarding pro-poor development

As of 2015, LIFT is funding projects in four different agro-ecological zones of the country: the Dry Zone, the Uplands Zone (Kachin State, Chin State and Shan State), the Delta / Coastal zone, and in Rakhine State. The projects are part of different LIFT sub-programmes: Delta 2, Countrywide, Financial Inclusion, and Learning & Innovation. In late 2015, LIFT will start new projects in the Delta and Dry Zones and in the

thematic areas of financial inclusion and migration. LIFT is implemented through a variety of local implementing partners.

2. Background to the study

Since 2010, LIFT implementing partners (IPs) have worked with farmers at village level and attempted to organize these farmers in various ways, either as community-based organizations or more formally as organizations with cooperative structures and registration. Some projects organized farmers as loosely connected groups that collaborate only to purchase agricultural inputs, others have farmers meeting regularly to maintain revolving funds (in kind or cash) and participate in village development. Some groups focus on economics and based only around the financial benefits returned from the economy of scale that farmers achieve when they collaborate as a group. The governance of the groups varies and their official status varies from informal to formal government registered entities e.g. as cooperatives.

Depending on the level of organisation and the underlying reason for organising together, the prospects for sustainability are different and the groups' acknowledgement by government services varies. Evidence from field monitoring visits indicates large differences in the effectiveness and sustainability of these approaches.

A deeper analysis of these approaches, their weaknesses and strengths and how they are adapted to the local circumstances is necessary to show how well farmers are organizing themselves and what benefits they are achieving by purchasing inputs and selling agricultural produce as a group.

Some of the detailed questions to consider are:

- What are the underlying strategies and assumptions of IPs in the different approaches they are using to facilitate farmer organisations?
- What role has farmer led approaches had in the farmer organisations and to what extent have they contributed to the effectiveness of the different organisational approaches, including sustainability where it featured as an objective?
- What are the measurable benefits for farmers compared to the implementation costs of organizing (ie what is the 'value for money' from supporting farmers to organize on either informal or formal levels).
- Are there any particular IP experience(s) in supporting farmer organizations that stand out or are more effective?
- Has the project staff of the IPs involved been critical enough to identify issues and lessons learnt that have led to changes in approach, and was LIFT flexible enough to allow these changes to be pursued?
- How do the various approaches to farmer organizations cooperate with government service providers?
- How do the various approaches work with local businesses providing input supplies and market access?
- What role do moneylenders, traders and the private sector have in providing financing models for the groups?
- What mechanisms are they IPs using to provide for farmer feedback and learning on both sides?
- What lessons have been learnt that should be used to design and implement new programmes working with farmer organizations?
- Do the partners have any new, innovative approaches they would like to try?

To understand the reasons for success and failure with farmer organisations LIFT would like to review existing practices and approaches to understand how well they work with farmers and respond to their needs. LIFT is looking for an analysis that provides sufficient evidence for scaling up and expanding effective approaches.

LIFT is looking for a team of qualified international and national consultants with relevant experience and qualifications to carry out a study to address these questions using qualitative methods.

3. Purpose and objectives of the Assignment

The purpose of the study is to undertake a qualitative analysis of the **farmer organizations** introduced by LIFT IPs in the Dry Zone, Delta and Shan State to establish the relative effectiveness of the different approaches used and which are best suited for replication and scaling up.

Objectives

- 7 Establish the relative benefits and prospects for wider application and scale up of farmer organization approaches used by LIFT IPs. In particular:
 - Identify and review the existing types of farmer organisations supported by selected LIFT IPs, analyse their relative purpose, merit and approach to providing support. Identify the weaknesses and strengths of each (SWOT).
 - From the perspective of external support (ie by IPs to farmer organisations), provide a value for money analysis of each farmer organization type and discuss the cost effectiveness of the various approaches identified
 - Investigate the relationships of the farmer organizations with other stakeholders within and outside the villages (village development organisations, village and village tract administrations, township government and the business community)
 - Investigate the economic benefits for farmers from farmer organization membership, especially with respect to contract farming and access to premium markets for higher quality products.
 - Compare the services and benefits received from membership with the demands and needs of farmers.
 - Investigate the changes (benefits and dis-benefits) farmers have experienced after joining an organization with respect to access to credit, markets, input supplies and other important issues.
 - Compare the approaches and provide evidence in support of the advantages and disadvantages of each, and clear rationale for replicating or scaling up selected approaches.

- 8 Based on the lessons learned, identify and explain improvements to each of the distinct farmer organization approaches identified.

- 9 Identify possible entry points and opportunities for LIFT to engage with public and private stakeholders to improve the use of farmer-based organizations in Myanmar.

The study findings will be shared through a workshop with LIFT's partners and will be available publicly.

4. Scope and methodology

The consultant is expected to draw conclusions from the LIFT projects as well as from different sources and his/her own experiences. The consultant will:

- Visit four former or ongoing LIFT projects in the Delta, the Central Dry Zone, and Shan State to identify and analyse the various approaches to farmer organisations. Note: visits to former/closed LIFT projects may present access constraints that require moderation of field enquiries. This can be done in consultation with LIFT programme staff.
- Identify and consult with a wide range of stakeholders including project staff, farmers of different types and scale, farmer organizations, government service providers and business representatives;

- Review the success of farmer organizations by comparing the strength, degree of farmer ownership, and sustainability (where the purpose is ongoing) of the different organisation approaches, and comparing the production and economic development results between participating and non-participating farmers. Make recommendation to LIFT for further programming;

The consultant will propose an appropriate process and adapted methodologies for collecting data and answering the questions / issues identified above, such as:

- Desk review of relevant existing documentation including on LIFT relevant projects
- Field study of the approaches to farmer organizations in LIFT partner projects
- Use of a questionnaire to survey LIFT partners on their experiences in establishing farmer organizations or cooperative like structures.
- Meeting and focus group discussions with key stakeholders in the project areas including relevant partner staff and farmers involved in selected farmer organizations
- Final workshop with LIFT partners and other stakeholders to inform about the result of the consultancy

Annex 2

Checklist of questions

**M-CRIL Study of Cooperative approaches to Farmer Organisations in
LIFT, Myanmar partner projects: December 2015**

**Checklist of questions for interviewing Cooperative (formal)
(to be executed with governance and/or management team)**

Basics about the cooperative and its functions

- Name of the cooperative and place
- Year of formation and date of formal registration:
- Initial no. of members and % of different categories of members including women
- Current no. of members:
- Reasons for change, if any, in membership:
- Year-wise change in membership, if applicable
- Total number of members who can qualify to be members of the cooperative
- Any dropouts from the cooperative till date (whether forced or voluntary):
- Principal occupations of members:
- Capture information on different committees if applicable
- Assets with cooperative and ways of its financing; value of these assets
- Annual membership fees if any: Any changes since formation:
- What are the activities undertaken by the cooperative (purchase and sale of members' produce, training of members, loans, input supply, others):
- Year wise sale of members' produce
- What activities has the cooperative undertaken so far and what are the specific objectives of these activities? Please elaborate on the activities in relation to the planned activities – Is the cooperative on track in terms of meeting the objectives it has set out?
- Does the cooperative lend to its members? (Y/N):
- If yes, then give the following details:
Interest rate charged (p.a.) Loan tenure: Loan ceiling:
- No. of members benefitting from each activity of the cooperative – there can be activities where even non-members can participate and, if so, capture these numbers activity wise
- Importance of these activities from the cooperative's perspective
- How are the members are benefitting from these activities – both from the economic and social perspectives
- No. of buyers (including institutional buyers) for cooperative produce
- Change in relationship with buyers over the years (with respect to price, payments, volumes sold or in other ways):
- No. of input suppliers to cooperative and the quality of relationship with them
- Any service provided by buyers (arranging transport, with respect to inputs, cash advance for produce etc.)
- Type and number of linkages developed by the Cooperative with government agencies and perception of the governance and management team of the cooperative on the quality of linkages and service provision by these agencies
- Value addition at the level of the cooperative

Institutional development and sustainability

- What are the objectives of the cooperative? How is the governance board formed and elected? How are different decisions made in the cooperative?
- What is the structure of the cooperative and the roles of the members in the governance team of the cooperative?
- Frequency of cooperative meetings: Agenda setting:
- Types of written policy documents, manuals (like input purchase and output sale), registers and minutes maintained by the cooperative
- The understanding level of the governance team and office bearers on aspects like cooperative management, leadership, finance management, linkage identification, negotiation skills, level of dependency on the promoting organization, capacity to make a range of decisions,
- Management team of the cooperative and its structure
- With the establishment of the cooperative, how have the members benefitted – both in terms of financial gain and other benefits (including knowledge gain on better inputs, productivity enhancement, better cultivation practices, market information and access)
- What is the mechanism available to members of the cooperative if they have concerns or grievances?
- Areas of capacity building support offered by the promoting agency on governance, management and other service related aspects
- Feedback on the satisfaction level of the cooperative in terms of effectiveness of activities carried out in the project by other implementing partners and service providers?
- Further Capacity building needs of the cooperative
- Challenges of cooperative as perceived by the governance and management team
- Is the purpose of the cooperative being achieved and, if yes, how and, if no, why not? What are the reasons? In your opinion to what extent is the cooperative sustainable institutionally and financially?
- What challenges have been resolved and what challenges still remain to be resolved in the effective functioning of the cooperative?
- What are the areas where you think that more capacity building support is required and why?
- Effects of the improvements on the quality of life of farmer-members (changes in income and food shortage, asset creation):
-
-

Financial details and financial sustainability of Cooperative

(understanding this at the committee level if applicable and then consolidating it at the overall cooperative level)

- Sources of revenue activity wise, ways to finance the cooperative’s operational and management cost (obtain financial statement of cooperative/committees for the last few years)
- Details on loans taken by the cooperative, if any:
- Assets and liabilities of the cooperative, if any:
- Details on infrastructural changes, if any, being undertaken for purchase, processing and value addition (cost sharing by members and through project and funding issues):
- Compensation received by Board/committee members and office bearers, if any:
- Effects of the cooperative and its interventions on:
 - (i) Price obtained by the cooperative (improved/deteriorated):

(ii) Payment by buyers to the cooperative.....

(iii) Bank linkage:

- Underlying reasons for improvement (training, technical assistance, assistance in marketing, increased competition amongst buyers):
- Does the cooperative generate surplus/profits and how does the cooperative use its surplus, for what purposes and future plans? If there are losses, how are these covered.

+ follow up questions emerging from the discussion on the above

+ Obtaining financial statement and progress report of the cooperative for the last few years and analysis to understand its financial and operational sustainability and value for money approach.

**M-CRIL Study of Cooperative approaches to Farmer Organisations in
LIFT, Myanmar partner projects: December 2015**

Checklist of questions for interviewing MOs (informal)
(to be executed with the members of MOs and others if applicable)

Basics about the MO and its functions

- Name of the MO and place
- Year of formation.....
- Initial no. of members and % of different categories of members including women
- Current no. of members:
- Reasons for change, if any, in membership:
- Year-wise change in membership, if applicable
- Total number of farmers who can qualify to become members of this MO
- Any dropouts from the MO till date (whether forced or voluntary):
 - Reasons for dropout
- Principal occupations of MO members:
- Capture information on different committees in MO if applicable
- Assets with the MO and ways of its financing; value of these assets
- Annual membership fees if any
- Savings mobilisation :
- Any changes since formation:
- What are the activities undertaken by the MO (purchase and sale of members' produce, training to members, loans, input supply, others):
.....
- What activities has the MO undertaken so far and what are the specific objectives of these activities? Please elaborate on the activities in relation to what was planned – is the MO on track in terms of meeting the objectives that were set out for it?
- Does the cooperative lend to its members? (Y/N):
- If yes, then give the following details:
Interest rate charged (p.a.) Loan tenure: Loan ceiling:
- No. of members benefitting from each activity of the MO – there can be activities where even non-members of the MO can participate and, if so, capture these numbers activity wise
- Importance of these activities from the MO's perspective
- How are the members are benefitting from these activities – both in economic and other sense
- No. of buyers (including institutional buyers) for MO produce
- Change in relationship with buyers over the years (with respect to price, payments, volumes sold or in other ways):
- No. of input suppliers to MO and the quality of the relationship with them
- Any service provided by buyers (arranging transport, with respect to inputs, cash advance for produce etc.)
- Type and number of linkages developed by the MO with government agencies and the perception of the MO on the quality of linkages and service provision by these agencies
- Any value addition at the level of the MO.

Institutional development and sustainability

- What are the objectives of the MO? How is the MO governed? How are decisions made in the MO?
- What is the structure of the MO and roles of different members/office bearers in MO?
- Frequency of meetings in MO: Agenda setting:
- Types of written manuals (like input purchase and output sale), registers and minutes maintained by the MO.
- Capturing the understanding level of MO governance team/committee/ office bearers on aspects including its management, leadership, finance management, linkage identification and management, negotiation skill, dependency level on promoting organization for different aspects, capacity to make different decisions
- With the establishment of the MO, how have the members and others benefitted both in terms of financial gain and from other benefits (including knowledge gain on better inputs, productivity enhancement, better cultivation practices, market information and access and others)
- How does the MO participate and contribute in managing the assets and other facilities/infrastructure created through the project
- Access by MOs to these assets and infrastructure
- Areas of capacity building support offered by promoting agency on governance, management and other service related aspects
- Feedback on the satisfaction level of the MO in terms of the effectiveness of activities carried out in the project by other implementing partners and service providers?
- Further capacity building needs of the MO
- Challenges of the MO as perceived by the governance and management team
- Is the purpose of the MO being achieved and if yes how and, if no, why and what are the reasons? In your opinion to what extent is the MO sustainable institutionally and financially?
- What challenges have been resolved and what challenges remain to be resolved in the effective functioning of the MO?
- What are the areas where you think more capacity building support is required and why?
- Effects of improvement on the quality of life of farmers/members (changes in income and food shortage, asset creation):
-
-

Financial details and financial sustainability of the MO
(understanding this if applicable)

- Sources of revenues activity wise, ways to finance MO operational and management cost (obtain financial statement of MO for the last few years)
- Details on loans taken by MO, if any:
- Assets and liabilities of MO, if any:
- Details on infrastructural changes, if any, being undertaken for purchase, processing and value addition (cost sharing by members and through project and funding issues):
- Compensation received by MO office bearers and committee members:
- Effects of the MO and its interventions on:
 - (i) Price obtained by its members (improved/deteriorated):
 - (ii) Payment by buyers to the MO
 - (iii) Bank linkage:

- Underlying reasons for improvement (training, technical assistance, assistance in marketing, increased competition amongst buyers etc.):
- Does MO generate surplus/profits and for what does it use its surplus? If there are losses, how are these being covered.

+ follow up questions emerging from the discussion on the above

+ Obtaining financial statement and narrative reports of the MO for the last few years and analysis to understand its financial & institutional sustainability

**M-CRIL Study of Cooperative approaches to Farmer Organisations in
LIFT, Myanmar partner projects: December 2015**

Checklist of questions for FGDs with farmers/project participants

Number of farmers/members participating in the FGD; also include the designation of office bearers.

Goal & Objectives

- What is the purpose and the objectives of the cooperative/MO?
- Have the members/office holders ever reviewed these goal and objectives?
- What do you hope to achieve with this MO in few years from now?

Effectiveness of MO (in relation to its goals and objectives)

- What activities and services does it provide to its members and others (who are the others?).
- Have these activities changed since your MO was established? How? Why?
- Have these activities undertaken by your MO been useful (and which was most useful)? If yes, in which way? If not useful, why not?
- Details on infrastructural development and improvement, if any, being undertaken for purchase, processing and value addition (cost sharing by members and through project and funding issues)
- With the establishment of the cooperative/MOs, how have the members and others benefitted from it– both in terms of financial gain and other benefits (including knowledge of better inputs, better cultivation practices, productivity and quality enhancement, market information and access, better returns, increased value addition and infrastructure development).
- Have these activities provided equal benefits for all members? Or for all in the community? Who has benefited most/least? Has this resulted in any conflicts/disputes among members or within the community? (Discuss whether certain groups are missing out or have been disadvantaged. Discuss whether the MO is concerned about any inequalities or perceptions of these. Discuss any plans or ideas to address any such inequalities)
- What activities were planned but have not yet been undertaken? Why not? Have there been any activities undertaken that were not planned?
- How are women, disabled, female headed household, landless poor and other ethnic/religious minority groups involved in your MO/MO activities (planning, decision making and implementation)?
- In addition to services offered by the cooperative/MOs, what are other services the project has been carrying out? (activities including purchase and sale of members' produce, training to members, loans, input supply, infrastructure development)
- What services do you think can be added or expanded in the cooperative/MO and the project that can provide you with more benefits?

- Does your institution/project also offer credit services to its members and others and how is it done?
- What has been the impact of these activities for the members? For the community? Do you think you have benefitted more from being a member of the institution/project as compared to those who are not members? And what is the level of additional benefits you think you have derived from being a member (% estimate)?
- Choose 3-4 most important activities/services from which you have benefitted most in terms of financial gain.
- How do you make decisions and who is involved in the decision making process?
- What are the challenges and limitations of your MO? What challenges have been resolved and what challenges remain in the effective functioning of the cooperative/MOs and also in the project?
- What problems have been encountered? How have these problems been addressed?
- Feedback on the activities in relation to the planned activities by the cooperative/MOs – Is the cooperative/MOs and the project on the track in terms of meeting the objectives it has set out?
- Feedback on the satisfaction level of the members in terms of effectiveness of activities carried out in the project by the implementing partners, cooperative/MOs and service providers (including Govt institutions)? It can be rated on a scale of 1-5.
- Is the purpose of the cooperative/MO being achieved and, if yes, how and, if no, why not and for what reason?
- Effects of the cooperative/MOs and its interventions on:
 - (i) Price obtained by the members (improved/worsened)
 - (ii) Terms/timing of payment by buyers to the cooperative
 - (iii) Access to loans:

Membership & Member Selection

- Who manages your group? How were people selected to be included in the group? Who were selected? Was this equitable? Do you think some more should be included? If 'yes,' who should be they? And why do you think they should be included? Are your members typical farmers from your village (or richer, poorer, younger, more educated, more men etc)? Does everyone have a chance to be involved? (farmers from poorest, most needy, or minority group households as well as disabled persons and women)? Is anyone excluded? Is this deliberate, why? Are some people upset that they were not included? How has the group addressed such concerns?
- Are all the potential eligible members of your village associated with the organization/or the project? If no, why are the others not associated?
- Have some of members left the institution/MO and if yes, why? Are additional people likely to joining the cooperative/MO, why?

Relevance of IP support MO

- Did the project or other organisation(s) provide support to help establish or strengthen your MO? Which organisation(s)/government departments (e.g. Department of Agriculture)? What kind of support?

- Did your MO receive any training? By whom? Was this training just for the group members or was it for all interested farmers in the community? What sort of training has been provided? (e.g. agricultural technologies, field testing/experimentation, financial analysis of different practices, running an organisation etc) What proportion of the members has been covered by various trainings? Do other members need any kind of training?
- Was it effective? What difference has it made to the MO or its work?

Planning, monitoring and evaluation

- Does the MO formally plan activities?
- Who are usually involved in this process? How is this usually done?
- Did it have a plan for 2015? Does it have a plan for 2016? How was the plan developed?
- Does the MO monitor its progress and performance against these plans? How? Who? Is progress/performance shared with the community or village authority? 100 hh rep? 10 hh rep?
- Do yourselves-evaluate your work? How is success measured in your MO's activities?
- Does the MO link with local authorities/political parties?

Rules and regulations

- Do you have any rules and regulations? Do you have written documents of these rules and regulations? Was it discussed with and accepted by all your members? Why and why not?
- Type and number of linkages developed by your institution/project with different market actors (for inputs and outputs) and Government agencies and your perception about the quality of linkages and service provision by them
- What is the mechanism available to members of the cooperative if they have issues and grievances?

Sustainability

- Are there any costs for running and managing cooperatives/MOs and how are these costs being met currently – were these costs met by the project in the past (for closed projects)?
- Do you think your cooperative/MO is sustainable and can it function effectively and provide all the necessary services without the engagement of an implementation partner? And why do you think so?
- Will your group continue to work together after the project ends? Why/why not? If yes, what will it do?
- In your opinion to what extent is the cooperative is sustainable institutionally and financially?
- Underlying reasons for improvement (training, technical assistance, assistance in marketing, increased competition amongst buyers etc.):

+ follow up questions emerging from the discussion on the above

Checklist for control farmers/members of the community

(with a few in the villages being visited) – if possible

- What specific activities have been undertaken in the project?
- Why are you not a member of a cooperative/MO being promoted in the area? What are the reasons?
- Overall feedback on the effectiveness of activities carried out in the project by the implementing partner and by the cooperative/MO.
- Do you think the project participants and members of cooperative/MOs have derived additional benefits (ask for specific benefits such as productivity and quality enhancement, better return for produce, access to loans, improved knowledge on different aspects and others) as compared to you and in what ways?
- What is the extent of such benefits to those who are members and have participated in the project? Quantify in terms of % increase in overall earnings.
- Your specific comments on the institution building aspect of the project? Do you think such institutions are helpful for farmers and others and why do you think so?
- What has been achieved and what needs to be achieved by these institutions?
- Would you like to participate and be a member of the cooperative/MO now and, if no, why?

+ follow up questions emerging from the discussion on the above

Discussion Guide for non-members

Note that these questions should be asked to households who were not offered the opportunity to be members or who chose not to become members of the MO

Ideally they should have similar interests/livelihood opportunities as the members – eg farmers who were not members of the farmer group.

- Are you aware of the [name of MO] operating in your village?
- Do you think this MO is doing a good job? Is it helping its members? The larger community? Why/why not?
- Were you ever interested in being involved with, or being a member of this MO? Why/Why not?
- Do you know how the members of this MO were selected? Was this fair and equitable? Was everyone in the community given the chance to be included (poor, vulnerable, women, disabled, ethnic/religious minorities)? Were you offered the opportunity to be involved/become a member?
- Did you or anyone in your household ever try to become a member? Why? What happened? Could you become a member now if you wanted?
- If you never wanted to be a member, why not? Do you believe the MO activities to be effective, relevant for its members, relevant to you? Why/why not?

- Can you recommend any changes to the MO to make it better/more relevant/more effective:
 - What is does?
 - How it is led or managed?
 - How it makes decisions?
- Has this MO created any problems or disunity in the community? With some groups or people? With other village leaders/institutions in the village? Any jealousies etc? Describe
- Has this MO improved how the community works together or makes decisions? Describe.
- Do you think that this MO will continue into the future without the support of the project? Why/why not?

**M-CRIL Study of Cooperative approaches to Farmer Organisations in
LIFT, Myanmar partner projects: December 2015**

Checklist of questions for project manager/staff of implementing partners

- What has been your approach to promoting farmer institutions (formal informal) and what is your experience in this elsewhere, in general? How many such institutions have been promoted by you so far in the project and overall?
- Why do you have this particular institution building approach (formal vs informal, different tiers) in this project? In case of MO promotion, how can this approach help to implement relatively large interventions?
- Is there any experience sharing by MOs to benefit from each other and how is such knowledge used to improve effectiveness?
- What activities have been undertaken by you in relation to the institution and capacity building of the farmers organisations/MOs to meet the objectives of the project and to ensure the sustainability of the institution and services provided by it?
- What were the methodologies adopted for undertaking different activities and how is feedback obtained from the participants on these activities?
- What were the challenges that you faced in the in executing project activities and also the institution building process and how were these overcome?
- What is the planning process for the farmers' organisations and how and at what frequencies are they made and reviewed? Also explore different policy guidelines, manuals, and other systems developed for the purpose.
- Have the activities undertaken so far led to the desired impact on the members and others? If yes, how and to what extent and, if no, why not?
- Type and number of linkages developed by your institution/project with different market actors (for inputs and outputs) and Govt agencies and your perception of the quality of these linkages and service provision by them
- Are the farmers' organisations becoming stronger in due course in terms of undertaking different activities envisaged and how?
- Do you think this approach has worked well and what other changes do you think can improve the effectiveness of the cooperative/MOs – in terms of institutional set up or adding another tier of institution to improve the effectiveness of these institutions?
- What are the current difficulties/challenges that farmers' organisations/MOs facing and what are the plans to overcome them?
- To what extent is the purpose of the cooperative being achieved and if yes how and if no why and what are the reasons? In your opinion to what extent is the farmer cooperative/MO sustainable institutionally and financially? And why do you think so?
- What are the areas where you think more capacity building support is required for cooperative/MOs? Do you think your cooperative/MOs is sustainable and can it function

- effectively and provide all the services without the engagement of an implementation partner?
And why do you think so? *+ follow up questions emerging from the discussion on the above*

Checklist for Key informant interviews with other stakeholders

(village development organisations, village and village tract administrations, township government)
– if possible

- What specific activities have been undertaken by you in the project?
- How satisfied are you with the support you were able to provide to the cooperative/MO and to project participants? Do you think that those services could have been provided in a better way by making some changes?
- Feedback on the effectiveness of activities carried out in the project by the implementing partner and other market service providers for both inputs and outputs?
- Your specific comments on the institution building aspect of the project. Do you think such institutions are helpful in serving farmers and others and why do you think so?
- What has been achieved and what needs to be achieved by these institutions?
- What improvements would you suggest/would have suggested (for closed projects) in the institutional aspects of the project?
- What are the challenges in the project in terms of its overall objectives and more specifically in the areas of institution building for the project?

+ follow up questions emerging from the discussion on the above

Checklist for Key informant interviews with market actors, input suppliers and output buyers) – if possible

- What specific activities/services have been undertaken by you for the project participants?
- How has the creation of cooperatives and MOs of farmers helped your business?
- Your satisfaction level in your dealings with the cooperative/MO and project participants?
Do you think that those services could have been provided in a better way by making some changes?
- Do you think that as a result of this project there is more demand for quality inputs and the quality of produce has improved?
- Do you think such institutions are helpful in serving the farmers and others and why do you think so?
- What has been achieved and what needs to be achieved by these institutions?
- What improvements would you suggest in the institutional aspects of the project?

+ follow up questions emerging from the discussion on the above

Annex 3

List of respondents

M-CRIL Study of Cooperative approaches to Farmer Organisations in LIFT, Myanmar partner projects: December 2015

AVSI Foundation, Labutta

Management Team members of Kyun Ayar Cooperative who participated in discussion

- Village: Amat Kalay
- Village Tract: Amay Kalay
- Township: Labutta
- Date of meeting: 17/12/2015
- Place: Cooperative Office

	Name	Position	Village
1	U Ni Ka Bwi	Chairman	Amat Kalay
2	U Min Naing	Casher	Yay Cho Kan
3	Ma Aye Aye Hteik	Secretary (2)	Amat Kalay
4	U HTun Naing	Buffalo Hiring Committee	Yay Cho Kan
5	U Thein Zaw	Buffalo Hiring Committee	Amat Kyi
6	U Win Maung	Rice Milling Committee	Aing Ma
7	Daw Naw Shar Go Phaw	Rice Milling Committee	Thin Baw Kwin
8	U Phoe Si Si	Power tiller committee	Amat Kalay
9	Daw Aye Aye Thin	Buffalo Hiring Committee	Amat Kalay
10	Daw Cho Cho	Paddy Threshing &winnowing committee	Aing Ma
11	Daw Than Myint	Paddy Threshing &winnowing committee	Kwin Pauk
12	Daw Mi lone	Power tiller committee	Kwin Pauk

FGDs with Members of Kyun Ayar Cooperative

- Date of meeting:17/12/2015 and 18/12/2015
- Place: Cooperative Office and Thin Baw Kwin

No	Name	Position	Village
1	U Maung Tar	Member	Amat Kyi
2	U Ah Htun	Member	Yay Cho Kan
3	Ma Phoe Ju	Member	Yay Cho Kan
4	Ma Zee Tar	Member	Aing Ma
5	U Zaw Lin Htun	Member	Aimat Kyi
1	Ma Ah Htar	Member	Thin Baw Kwin
2	U Mya Khine	Member	Thin Baw Kwin
3	U Baw Ohyu	Member	Thin Baw Kwin
4	U Aung Lei Do	Member	Thin Baw Kwin
5	U Du Kalar	Member	Thin Baw Kwin

Interview with non-members of the cooperative

- Date of meeting:18/12/2015
- Place: Yay Cho Kan village

	Name	Position	Village
1	U Maung Nyein	Non-member	Yay Cho Kan
2	U Am Bro Si	Non-member	Yay Cho Kan
3	Daw Naing Naing Win	Non-member	Yay Cho Kan
4	Daw Hla Win Yee	Non-member	Yay Cho Kan
5	U Maung Nyein	Non-member	Yay Cho Kan

GRET, Bogaley

Interview with Management Team of SPCS CBOs

- Type of CBO: SPCS
- Village: Anyar Su, Hnget Theik, Ywar Wa
- Village Tract: -Myat Thar Ywar Wa
- Township: Maw Gyun
- Date of meeting: 7/1/16
- Place: Hnet Theik

	Name	Position	Village
1	U Nyi Nyi Naing	Chairman	Ah Nyar Su
2	Daw Win Ei Swe	Member	Ywar Ma
3	Daw Hnin Thu Zar Lwin	Accountant	Hnget Theik

Interview with Management Team of HP CBO

- Type of CBO: HP
- Village: Ma Gu
- Village Tract: - Ma Gu
- Township: Bogalay
- Date of meeting: 7/1/16
- Place: Ma Gu

	Name	Position	Village
1	U Tin Min Naing	Accountant	Ma Gu
2	U Soe Lwin Oo	Auditor	Ma Gu
3	U Myint Thu	Casher	Ma Gu
4	U Zaw Min Thu	Chairman	Ma Gu

Interview with farmers of PGS

- Type of CBO: PGS
- Village: Anyar Su, Hnget Theik, Ywar Ma
- Village Tract: -Myat Thar Ywar Wa
- Township: Maw Gyun
- Date of meeting:7/1/16
- Place: Hnet Theik

	Name	Position	Village
1	U Kyi Tun	Farmer	Ah Nyar Su
2	U Hla Tint	Farmer	Ywar Ma

Interview with committee members of IC

- Type of CBO: IC (Inventory Credit)
- Village: Anyar Su, Hnget Theik, Ywar Ma
- Village Tract: -Myat Thar Ywar Wa
- Township: Maw Gyun
- Date of meeting:7/1/16
- Place: Hnet Theik

	Name	Position	Village
1	U Shwe Tun	Chairman	Hnget Theik
2	U Mg Mg Than	Accountant	Ywar Ma
3	Daw Naing Naing Maw	Assistant Accounttant	Hnget Theik

Interview with Management Committee and members of CAEDP

- Type of CBO: CAEDP
- Village: Anyar Su, Hnget Theik, Ywar Ma,Zee Phyu, Ywar Wa, Shauk Chaung
- Village Tract: -Myat Thar Ywar Wa
- Township: Maw Gyun
- Date of meeting:7/1/16
- Place: Hnget Theik

	Name	Position	Village
1	U Than Htay	Chairman	Hnget Theik
2	U Aye Myint	Saleman	Zee Phyu
3	U Naing Oo	Member	Shauk Chaung
4	U Kyaw Moe Wai	Member	Hnget Theik

Interview with Management Committee and members of CAEDP

- Type of CBO: CAEDP
- Village: Anyar Su, Hnget Theik, Ywar Ma,Zee Phyu, Ywar Wa, Shauk Chaung
- Village Tract: -Myat Thar Ywar Wa
- Township: Maw Gyun
- Date of meeting:7/1/16
- Place: Hnet Theik

	Name	Position	Village
1	U Than Htay	Chairman	Hnget Theik
2	U Aye Myint	Saleman	Zee Phyu
3	U Naing Oo	Member	Shauk Chaung
4	U Kyaw Moe Wai	Member	Hnget Theik

Interview with Management Team and FGD with members of CAEDP CBO

- Village: Pan Kha
- Village Tract: Pan Kha
- Township: Bogalay
- Date of meeting:8/1/2016
- Place: Chairman's house

	Name	Position	Village
1	U Myint Aung	Chairman	Pan Kha
2	U San Yu	Accountant	Pan Kha
3	U Kyaw Lwan Moe	Member	Pan Kha
4	U Aye Than	Casher	Pan Kha
5	U Kyaw Soe	Member	Pan Kha
6	U Hla Myint	Member	Pan Kha
7	U Myint Wai	Member	Pan Kha
8	U Kyaw Tin	Member	Pan Kha
9	U Aung Ko Lat	Member	Pan Kha
10	Daw Tin	Member	Pan Kha
11	U Tin Sein	Member	Pan Kha
12	U Thaung Nyunt	Member	Pan Kha
13	U Hla Win	Member	Pan Kha
14	U Than Oo	Store keeper	Pan Kha
15	U Ye HTun	Secretary	Pan Kha
16	U Myunt Zaw	Salemam	Pan Kha

FGD with members of PGS

- Village: Pan Kha
- Village Tract: Pan Kha
- Township: Bogalay
- Date of meeting:8/1/2016
- Place- Chairman’s house

	Name	Position	Village
1	U Myint Aung	Member	: Pan Kha
2	U Than Oo	Member	: Pan Kha
3	U OHN THAN	Member	: Pan Kha
4	U Ye HTun	Member	: Pan Kha
5	U Ye Win	Member	: Pan Kha
6	U Tin Cho	Member	: Pan Kha
7	U Myint Zaw	Member	: Pan Kha

Discussion with Project Manager and Staff of GRET, Bogalay

- Project office: GRET
- Township: Bogalay
- Date of meeting:8/1/2016
- Place: Project Office

	Name	Position
1	Daw Yin Yin Aye	Field Coordinator
2	U Kyaw Saing	Agriculture Coordinator
3	Daw Ya Min Aye	Operation Manager
4	Daw Khin Cho Thet	Producer Organization Officer
5	Daw Thin Thin Khine	Field Supervisor
6	Daw Aye Thandar Htun	Financial Service officer
7	Daw Aye Thandar Moe	Field Supervisor

Interview with Management Team of SPCS and IC CBOs

- Type of CBO: SPCS and IC
- Village: Lay Ein Tan
- Village Tract: - Lay Ein Tan
- Township: Maw Gyun
- Date of meeting: 8/1/16
- Place: Lay Ein Tan

	Name	Position	Organization	Village
1	U Thaug Yee	Chairman	IC	Hlay Gyi Su
2	Daw Thidar	Accountant	IC	Lay Eain Tan
3	U Thet Oo	Key Holder	IC	Kyone La Tar
4	U Kyee Shwe	Casher/ Key Holder	SPCS/IC	Lay Eain Tan
5	Daw Kyu Kyu Mar	Secretary/ Accountant	IC/ SPCS	Pan Kha
6	U Zaw\Win Aung	Casher	IC	Hlay Gyi Su
7	U Hnan Hlaing	Member	IC	Kyone La Tar
8	Daw Win Yee	Member	IC	Hlay Gyi Su
9	Daw Aye Mar	Member	SPCS	Lay Eain Tan
10	Daw Mi Cho	Member	SPCS	Pan Kha
11	Daw Tin Tin Wai	Auditor	SPCS	Kyone La Tar
12	U Htein Lin	Member	SPCS	Lay Eain Tan

Interview with Management Team of township committee of SPCS CBOs

- Type of township CBO committee: SPCS (Township Committee)
- Village: Anyar Su, Hnget Theik, Ywar Wa
- Village Tract: -Myat Thar Ywar Wa
- Township: Bogalay
- Date of meeting: 8/1/16
- Place: GRET Project office

	Name	Post
1	U Aung Naing Oo	Chairman
2	Daw Moe Moe Khaing	Secretary
3	U Khin Moe	Accountant
4	U Chit Hlaong	Member
5	Daw Mya Thein	Member
6	U Nyi Nyi Naing	Accountant
7	Daw Than Than	member

TAG, Pindaya

Interview with Management committee and members of CBE (community based enterprise)

- Name: Pan Tha Khin Community Based Enterprise
- Village: Yae Phyu
- Village Tract: -Ye Phyu
- Township: Pindaya
- Date of meeting:10/1/16
- Place: Yae Phyu

	Name	Post	Village
1	U Thawdar Lin	Leader	Yae Phyu
2	U Tun Tun Naing	Auditor	Yae Phyu
3	U Soe Win	Accountant	Yae Phyu
4	U chit Pyi	Member	Yae Phyu
5	U Phoe Mauk	Member	Yae Phyu
6	U Nyunt Swe	Member	Yae Phyu

Interview with Management committee and members of CBE

- Name: Wut Hmon Oo Community Based Enterprise
- Village: Thit Ei Pin
- Village Tract: - Thit Ei Pin
- Township: Pindaya
- Date of meeting:1011/16
- Place: Chairman's house

	Name	Post	Village
1	U Nyi Nyi Aung	Chairman	Thit Ei Pin
2	Ma Phyu Win	Vice-chairman	Thit Ei Pin
3	Ma Win Sein	Accountant	Thit Ei Pin
4	U Aung Sa	Key Active member taking care of beekeeping	Thit Ei Pin

	Name	Post	Village
5	Ma Sandar Lin	Member	Thit Ei Pin
6	Ma San Aye	Member	Thit Ei Pin
7	Ma Khin San Lwin	Member	Thit Ei Pin
8	Mg Nay Lin	Mmeber	Thit Ei Pin

Interview with Management committee and members of CBE

- Name: Cherry Wut Hmone Community Based Enterprise
- Village: Ku Kaw
- Village Tract: - KuKaw
- Township: Pindaya
- Date of meeting: 11/1/16
- Place: Ku Kaw

	Name	Position	Village
1	U Zaw Myo Thant	Chairman	KuKaw
2	U Soe Oo	Secretary	KuKaw
3	U Zaw Min	Caretaker of bee colonies	KuKaw
4	U Soe Htun Min	Caretaker of bee colonies	KuKaw
5	U Phoe Mauk	Member	KuKaw
6	U Nyunt Swe	cashier	KuKaw

Interview with the Management Committee of member based organization (MO)

- Name: Inn Ka Net Member Organization
- Village: Inn Ka Net (North)
- Village Tract: - Ma Gyi Gwa
- Township: Thar Si
- Date of meeting:13/1/16
- Place: Village leader's house

No	Name	Position	Village
1	U Myint Aung	Chairman	Inn Ka Net (North)
2	U Win Ko	Accountant	Inn Ka Net (North)
3	Daw Than Mya	Farmers' leader	Inn Ka Net (North)
4	Daw Khin win Myint	Casher	Inn Ka Net (North)
5	Daw Nyo	Income generation leader	Inn Ka Net (North)

Interview with members of MO

- Name of Organization: Inn Ka Net Member Organization
- Village: Inn Ka Net (North)
- Village Tract Ma Gyi Gwa
- Township: Thar Si
- Date of meeting:13/1/2016
- Place: Village Leader's house

	Name	Post	Village
1	U Min Soe	Farmer	Inn Ka Net (North)
2	U Sein Aung	Farmer	Inn Ka Net (North)
3	U Kyi Maung	Farmer	Inn Ka Net (North)
4	U Nyunt Tin	Farmer	Inn Ka Net (North)
5	U Than Naing	Farmer	Inn Ka Net (North)
6	U Soe Naing	Farmer	Inn Ka Net (North)
7	U Win Myint	Farmer	Inn Ka Net (North)

8	U Naing Lin	Farmer	Inn Ka Net (North)
9	U Mya Aung	Farmer	Inn Ka Net (North)
10	Daw Toke	Farmer	Inn Ka Net (North)
11	Daw Thin	Farmer	Inn Ka Net (North)
12	Daw Tin Tin Aye	Casual Labor	Inn Ka Net (North)
13	Daw Aye Chit	Casual Labor	Inn Ka Net (North)
14	Daw Myint Myint Htay	Casual Labor	Inn Ka Net (North)
15	Dwa Auhng Than Tin	Farmer	Inn Ka Net (North)
16	Daw Tin Tin	Faemer	Inn Ka Net (North)
17	U Kyaw Swar Win	Farmer	Inn Ka Net (North)

Interview with Management Committee members of MO

- Name: Bone Ta Loke Member Organization
- Village: Bone Ta Loke
- Village Tract: - Ma Gyi Gwa
- Township: Thar Si
- Date of meeting:13/1/16
- Place: Village leader's house

	Name	Position	Village
1	U Kyaw San Win	Chairman	Bone Ta Loke
2	U Soe Naing	Secretary	Bone Ta Loke
3	U Myint Sein	Farmers' leader	Bone Ta Loke
4	U Aung San	Casher	Bone Ta Loke

Interview with members of MOs

- Name: Bone ta Loke Member Organization
- Village: Bone Ta Loke
- Village Tract- Ma Gyi GwaTownship: Thar Si
- Date of meeting:13/1/2016
- Place: Village Leader’s house

	Name	Position	Village
1	U Soe Win	Farmer	Bone Ta Loke
2	U Kyi Shwin	Farmer	Bone Ta Loke
3	U San Myint	Farmer	Bone Ta Loke
4	U Thein Myint	Farmer	Bone Ta Loke
5	U Aung Than	Farmer	Bone Ta Loke
6	U Soe Aung	Farmer	Bone Ta Loke
7	U Khin Mg Tint	Farmer	Bone Ta Loke
8	U Htay Mg	Farmer	Bone Ta Loke
9	U Nay Win	Farmer	Bone Ta Loke
10	U Thaung	Farmer	Bone Ta Loke
11	U Aung Hla	Farmer	Bone Ta Loke
12	U Nyunt Lln	Farmer	Bone Ta Loke
13	U Phoe Tar	Farmer	Bone Ta Loke
14	U Kyaw Than	Casual Labor	Bone Ta Loke
15	U Han Tin	Farmer	Bone Ta Loke
16	Daw Htay Htay	Casual Labor	Bone Ta Loke
17	Daw Kyin Hlaing	Casual Labor	Bone Ta Loke
18	Daw Pyone	Casual Labor	Bone Ta Loke
19	Daw Khin Myint Kyi	Casual Labor	Bone Ta Loke

20	Daw Ah Myaing	Casual Labor	Bone Ta Loke
21	Daw Htwe Ngai	Casual Labor	Bone Ta Loke

Interview with members of MO

- Name: Tha Man Kyar Member Organization
- Village: Tha Man Kyar
- Village Tract: Hnet Min Kone
- Township: Thar Si
- Date of meeting: 14/1/16
- Place: Village commodity center

	Name	Post	Village
1	Daw Hla Tin	Casual Labor	Tha Man Kyar
2	Daw Tint	Casual Labor	Tha Man Kyar
3	Daw Win Yee	Casual Labor	Tha Man Kyar
4	Daw Nwe Tin	Casual Labor	Tha Man Kyar
5	Daw Win Saw	Casual Labor	Tha Man Kyar
6	Daw Win Hwi	Casual Labor	Tha Man Kyar
7	U Thaums Ngwe	Farmer	Tha Man Kyar
8	U Mya Win	Farmer	Tha Man Kyar
9	U My Aye	Farmer	Tha Man Kyar
10	U Tin Win	Farmer	Tha Man Kyar
11	U Pyay Aye	Farmer	Tha Man Kyar
12	U Hlaing Miyunt	Farmer	Tha Man Kyar
13	Daw Aye	Farmer	Tha Man Kyar

Interview with Management Committee members of MO

- Name: Thya Man Kyar Member Organization
- Village: Tha Man Kyar
- Village Tract: Hnet Min Kone
- Township: Thar Si
- Date of meeting: 14/1/16
- Place: Village commodity center

	Name	Post	Village
1	U Myiut Kyaw	Accountant	Tha Man Kyar
2	Daw Soe Moe Htwe	Casher	Tha Man Kyar
3	Daw Than Kyi	Secretary	Tha Man Kyar
4	U Chit Khin	Chair Man	Tha Man Kyar
5	Daw Shwe Sin	Auditor	Tha Man Kyar
6	Daw Ah Mar Kyi	Income Generation	Tha Man Kyar
7	U Kyaw Saw Win	Former Leader	Tha Man Kyar

Interview with members of MO

- Name: Se Gyi (North) Member Organization
- Village: Sei Gyi (North)
- Village Tract: Se Gyi Township: Thar Si
- Date of meeting: 14/1/16
- Place: Village center

	Name	Post	Village
1	Daw Hla San Kyi	Casual Labor	Sei Gyi (North)
2	U Shwe Thee Lay	Former	Sei Gyi (North)
3	Daw Mya Htay	Former	Sei Gyi (North)
4	U Aye My	Former	Sei Gyi (North)
5	U Zaw Moe	Former	Sei Gyi (North)
6	Daw Saw	Former	Sei Gyi (North)

Interview with Management Committee members of MO

- Name: Sei Gyi (North) Member Organization
- Village: Sei Gyi (North)
- Village Tract: - Se Gyi
- Township: Thar Si
- Date of meeting: 14/1/16
- Place: Village center

	Name	Post	Village
1	U Kyaw Thein	Chairman	Sei Gyi (North)
2	Daw Ei Ei Khine	Accountant	Sei Gyi (North)
3	Daw Cho Cho Than	Secretary	Sei Gyi (North)
4	U Ngwe Khe	Former Leader	Sei Gyi (North)
5	U Than Myiul	Secretary	Sei Gyi (North)

Annex 4

Benefit-cost analysis AVSI Foundation project – underlying basic considerations and assumptions

	Assumed	Given	MMK	Total income increase for all members
Basic income per year per paddy farmer			1,200,000	
Number of cooperative members		66		
Net additional return of 12% to each cooperative member as a result of their engagement as cooperative members - mainly from paddy which is the focus of the cooperative	12%		144,000	9,504,000
Basic income per year for home gardening participants			720,000	
Income benefit for home gardening participants	5%		36,000	
Net additional return/income from home garden to 100 (out of 300) participants actually deriving benefit from it	100		36,000	36,00,000

MMKyat

Project cost (US\$304557) - as per project documents			394,401,315	
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Annex 4

Benefit-cost analysis of AVSI Foundation project

	0	1	2	3	4	5	6	7	8	9
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Number of cooperative members	81	66	66	66	66	66	66	66	66	66
Income increase to cooperative members	9,504,000	9,504,000	9,504,000	9,504,000	9,504,000	9,504,000	9,504,000	9,504,000	9,504,000	9,504,000
Number of members carrying out home gardening	100	100	100	100	100	100	100	100	100	100
Income increase to participants from home gardening	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Total Increase in income/additional income as a result of project	13,104,000	13,104,000	13,104,000	13,104,000	13,104,000	13,104,000	13,104,000	13,104,000	13,104,000	13,104,000
Discounted income, (DC rate, 10%)	13,104,000	11,912,727	10,829,752	9,845,229	8,950,208	8,136,553	7,396,866	6,724,424	6,113,113	5,557,375
	81	66	66	66	66	66	66	66	66	66
Loan Fund from Township Cooperative Syndicate		6,000,000								
Project cost (Grants)		47,397,000	208,519,870	83,405,770						
Discounted cost (DC rate, 10%)		47,397,000	189,563,518	68,930,388						

Total discounted income	88,570,248
Total discounted cost	351,788,976
Benefit-cost ratio	0.25

Assumptions

Note: Any default is not considered

Value of additional benefits accruing to cooperative members (in the first year 81 and then 66 in subsequent years) of the cooperative and the participants (assumed 100 out of 300) who participated in the home gardening activity of the project. An overall income increase of 10% for paddy farmers ((who are cooperative members) and 5% for home gardening participants has been estimated based on feedback from members. The study team has estimated that about 20-25% increase from paddy translating to an overall income increase of about 12%.

Annex 5

Benefit-cost analysis of GRET project – underlying basic considerations and assumptions

	% increase	Base income/year (MMK)	Additional income/member (MMK)	Total additional income of all members (MMK)
CAEDP, HP, PGS and IC (study team assessment during the discussion on this aspect (range shared 5-15%) with CBOs and the project evaluation report)	10%	1,500,000	1,50,000	
SPCS members - based on study team's assessment	8%	9,00,000	72,000	
CAEDP members	347			52,050,000
IC members	118			17,700,000
HP members	381			57,150,000
SPCS members	619			44,568,000
PGS members	31			4,650,000
MAFF members	98			Not available

In MMK

Project cost of US\$1,805,256 allocated to GRET component of work in 66 villages- out of a total project budget of \$4,102,885 for 150 villages	2,337,806,779			
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Annex 5

Benefit-cost analysis of the GRET project – underlying basic considerations and assumptions

	0	1	2	3	4	5	6	7	8	9
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Additional income increase for CAEDP members			52,050,000	52,050,000	52,050,000	52,050,000	52,050,000	52,050,000	52,050,000	52,050,000
Additional income increase for IC members			17,700,000	17,700,000	17,700,000	17,700,000	17,700,000	17,700,000	17,700,000	17,700,000
Additional income increase for HP members			57,150,000	57,150,000	57,150,000	57,150,000	57,150,000	57,150,000	57,150,000	57,150,000
Additional income increase for SPCS members			44,568,000	44,568,000	44,568,000	44,568,000	44,568,000	44,568,000	44,568,000	44,568,000
Additional increase for PGS members			4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000
Total Increase in income/additional income as a result of CBOs	0	0	176,118,000	176,118,000	176,118,000	176,118,000	176,118,000	176,118,000	176,118,000	176,118,000
Discounted benefit (DC rate, 10%)	0	0	145,552,066	145,552,066	145,552,066	145,552,066	145,552,066	145,552,066	145,552,066	145,552,066

Project cost (Grants) - \$1,805,256 allocated over 4 yrs	584,451,695	584,451,695	584,451,695	584,451,695						
Discounted cost (DC rate, 10%)	584,451,695	531,319,723	483,017,930	439,107,209						

Total discounted benefit	854,160,484
Total discounted cost	2,037,896,555
Benefit- cost ratio	0.42

Other assumptions

The study team made suitable estimations, allocation of expenses for GRET components of the project (overall total project expense related information available in the different project reports) and other information gathered during this evaluation. Out of a total project expense of US\$ 4,102,855, an expense of US\$1,805,256 has been allocated to the GRET component of the project work on the basis of the total number of villages covered by GRET in the project. In the absence of information on expenses for each year the total expenses have been allocated evenly over each year.

Additional income increase as a result of members’ engagement has been assumed on the basis CBO members’ feedback and information available in earlier reports on the increase in incomes.

Annex 6

Benefit-cost analysis of Oxfam project – underlying basic considerations and assumptions

	Assumed	MMK	Total income increase
Basic income per year for members -MMK 75,000/month		900,000	
Likely number of members benefitting on the basis of overall situation		820	
Net additional benefit (on the overall assessment by the study team)	6%	54,000	44,280,000
In MMK			
Project cost (US\$1,293,477) - figures provided by Oxfam and this excludes budget provided to NAG by Oxfam		1,67,50,52,715	

Likely numbers of members benefitting and the extent of benefits in terms of additional incomes - estimated

Total estimated number of members in 29 operational MOs of Oxfam -with average 125 members/MO 3,600

We estimate, about 23% of total members in the visited MOs benefit (23% of 3,600 members) 821

MOs visited	MO 1	MO 2	MO 3	MO 4	Total	Average		
Members, #	81	153	112	158	504	126		
Members benefitting based on current status of service provision, #	50	0	50	15	115	23%	821	
Extent of benefit (additional increase in income)	5%	0%	10%	10%		6%		

Note: extent of benefits to members for each MO is on the basis of overall assessment by the study team

Annex 6

Benefit-cost analysis of Oxfam project

	Year	0	1	2	3	4	5	6	7	8	9
	Estimated parameters	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Likely number of members benefitting				820	820	820	820	820	820	820	820
Likely overall income increase to members				4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000
Total Increase in income/additional income as a result of project		0	0	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000	4,42,80,000
Discount factor	10.0%	0	0	3,65,95,041	3,32,68,219	3,02,43,836	2,74,94,396	2,49,94,906	2,27,22,641	2,06,56,947	1,87,79,043

Discount factor

Project cost (Grants)		55,83,50,905	55,83,50,905	55,83,50,905							
Discount factor	10.0%	55,83,50,905	50,75,91,732	46,14,47,029							

Total discounted income 21,47,55,029

Total discounted cost 1,52,73,89,666

Benefit-cost ratio	0.14
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No of MO members benefitting through some services and the extent of benefits have been assessed on the basis of overall perception of the study team about this during interaction with members