

Delta 3 Programme Framework

March 2015

Background

LIFT started operations in the Ayeyarwaddy Delta of Myanmar in 2010 as a one year post-emergency programme after Nargis. This programme was further extended with three year projects under the Delta 2 call for proposals. The programme intended to build more coherence between implementation partners (IPs) and to promote development activities with a longer term focus. Most of these projects (see annex 2) have now been extended to a fourth year up to mid-2015.

The Delta is a dynamic area with important agricultural potential and increasing investment in the agricultural sector. It does not have the highest rate of poverty in Myanmar, but the prevalence of poverty remains high (26%)¹, and as the most populated region of the country, the Delta has a very high number of poor people. This is especially true for the proposed townships (see geographical coverage). Inequality is also a problem with high dependency on a few large landlords, especially in the southern part of the Delta. Small scale fishing is still a crucial livelihood activity for landless and vulnerable households. The main driver of change in the Delta is migration to labour opportunities mostly in Yangon. Landless households are increasingly mobile, many choosing to leave agricultural casual labour.

In June 2014, LIFT agreed to develop a Delta 3 programme that would be based on the lessons of earlier projects, including the intensification and commercialization of smallholder rice farming, while also ensuring support to landless households. LIFT's Delta projects have identified emerging opportunities for scaling-up support to smallholder farmers as well as vulnerable and non-farming households. LIFT has worked with its IPs to identify and document those lessons. Two workshops were organized in early October 2014 to share and discuss the lessons².

The new programme in the Delta will contribute to the new LIFT strategy and to its high level outputs in terms of income, resilience, nutrition and pro-poor policy influence. It will propose more targeted approaches to smallholders with commercial potential (*step up*), those looking for opportunities beyond agricultural production (*step out*), and households needing subsistence security (*hang in*).

Purpose

This programme framework provides a design outline and programme planning approach consistent with decisions made by the LIFT Fund Board in February 2015 as well as consultations with partners organised on 24 February. Specific answers to the questions of the partners have been provided separately on the LIFT website.

¹ LIFT Household Survey 2013 and according to the provisional findings of the Food Security Assessment done by WFP in the Delta in 2013 (WFP, 2014)

² PowerPoint presentations are available on LIFT website: <http://www.lift-fund.org/eventbest-practices-event/lift-partners-share-lessons-and-good-practice-implementing-projects-delta> ; a full narrative of the lessons is pending for publication in 2015.

Programme components

Based on the LIFT strategy, four components or groups of issues are described and prioritized below.

Component 1: Strengthening the smallholder farmer position in the rice value chain

The agriculture sector is dynamic in the Delta with investments in value chain development increasing, both with some large investment in the milling and agricultural input sector, but also through small and medium enterprises (SMEs). Farmers are mostly rice-based with a limited level of diversification. Farmers are facing rising labour costs and difficulties to access labour on time, especially between the monsoon and winter seasons. This presents a challenge to achieve rice quality and value. In consequence, mechanization is growing fast and small agricultural entrepreneurs are developing their businesses. LIFT interventions so far have generated important lessons and highlighted opportunities for smallholders that call for further investment.

LIFT has committed considerable resources to the International Rice Research Institute (IRRI) for identifying new high yielding varieties adapted to local environments (tolerance to salinity and submergence) and good agronomy practices (e.g. for nursery, fertilization). IRRI has worked closely with other IPs who have built strong seed-grower capacities at village level that are well positioned to multiply the new varieties alongside traditional ones. While large scale dissemination of quality seeds has not yet been achieved and sustainability remains unclear, IRRI's work has shown that farmers are aware of the advantages of quality seed and will pay for it. Seed growers face limitations to bring their production to a commercial level and the necessary quality assurance systems are not in place, nor access to registered seed from the government. The public seed system is constrained by multiple factors including organizational and technical issues³ and the private sector is still limited mostly to informal and village based producers⁴. There is a need for further integrating the public, commercial and informal seed systems, and in particular, to involve the government in the LIFT programme more and strengthen seed grower organizations. Initial steps have been taken in this direction by Radanar Ayar and Gret⁵ on which the new programme can build.

LIFT will commission a consultancy in 2015 to design an overall approach for its support to the seed sector and to provide a better estimate of the seed demand and understanding of farmer practices to ensure that the programme meets farmer demand. Meanwhile LIFT aims to continue its support to some current seed-related activities.

LIFT partners have promoted the cultivation of winter crops in the southern brackish areas of the Delta. Some positive results have been achieved with watermelon and cowpea, but success has been limited on the whole due to a range of agronomic and marketing issues. The potential still seems limited by the low availability of fresh water during the winter season. On the contrary, Proximity Designs has made

³ For example, the lack of planning capacity and coordination between Department of Agricultural Research (DAR) and Department of Agriculture (DoA). Seed quality and quality assurance are also a problem in the public system, in particular the lack of laboratory facilities.

⁴ The seed policy envisages a transition from public seed sector dominance to more private sector-led systems that calls for a redefinition of the role of the public sector and probably reinvestment in the public sector to make it able to carry out its functions in this framework. See additional analyses in Ferrand and Hla Min (2014); van den Broek, Subedi, Jongeleen, and Naing (2015)

⁵ LIFT has extended the Radanar Ayar project to January 2016 during which it will involve the DoA and DAR further in producing registered seeds with local farmers. Gret has started organizing the seed-growers in an association to set up a Participatory Guarantee System in close collaboration with DoA.

good progress with its extension services, which have been able to teach specific techniques that provide for summer rice cultivation to extend further south. High farmer adoption has been achieved⁶. One constraint for further extension is the access to investment for water pumps, working capital and embankments in the brackish areas, especially for the smallholders. There is an opportunity to develop specific financial products and to scale up extension systems in villages not yet reached.

Investment in large irrigation infrastructure and flood protection embankments is not considered a priority for LIFT given the scale of the investment required and the complexity of multi-village collaborative work. However, small scale work at village level could be considered as a potential resilience activity. It would need to demonstrate that the proposed investment will have a significant impact on smallholder farmers.

Extension services in the Delta 2 programme have focused mainly on rice production techniques, especially improved hand-transplanting, direct seeding with seeders, new seed varieties, and improved nursery and fertilization practices (Kimchhin Sok, 2013). These techniques have been largely adopted since 2009, and in some areas fork transplanting has nearly completely disappeared. Most of the villagers are well aware of these techniques and if they have not adopted them, it is often for good reasons: environmental limitations and the difficulty to access investment and labour. Extension systems have been mostly NGO driven and not designed to be sustainable beyond the project duration. Some projects have focused on market information dissemination. Due to the recent development of mobile technologies, farmers have easy access to price information from multiple sources.

LIFT would like to maintain some extension services within the new programme, but with a focus on: (i) safe and economic use of inputs (fertilizers and pesticides⁷) with environmental considerations; and, (ii) quality and post-harvest management, and a different, more sustainable approach involving private and public advisory services. current separate LIFT-funded study of agriculture extension and advisory services will review existing systems and partners' practices in the Delta as well as in other parts of the country and provide advice to LIFT for its future approach⁸. At this stage, LIFT's focus is improving farmer economic decisions when making investments and taking loans⁹.

IRRI has set up a "post-harvest alliance" with LIFT IPs to pilot promising post-harvest tools and services¹⁰. Higher grain quality can generate added-value at the farm level as well as marketing opportunities for small farmers. Access to efficient post-harvest equipment such as reapers, light threshers, flat-bed dryers are still limited and provide potential for farmers to better manage the transition between the monsoon and the summer seasons. Agricultural financing to support both private and collective service providers is required.

⁶ In the 2014 summer, 623 farmers from 24 villages have applied this new method.

⁷ The use of herbicides is progressing fast in the summer rice season to replace manual weeding (IRRI), other pesticide use is expanding and poorly regulated. The economical use of inputs is a critical factor to the success of summer rice. The excessive use of pesticides has been the driver behind pest outbreaks in the major rice growing areas in Asia (Heong, Wong, & De los Reyes, 2013). Practices are worrying in Myanmar as well (<http://ricehoppers.net/2012/10/baseline-myanmar-rice-farmers-insecticide-use-low-but-their-beliefs-favor-spraying/>).

⁸ Results should be available around March 2015.

⁹ GRET experience of Management Advice for Family Farms (MAFF) is a good example of an extension system that focuses more on the farm economic rather than on specific agriculture techniques.

¹⁰ See [http://www.lift-fund.org/Delta%20II%20Lessons%20Learned%20Workshop/Case Study IRRI LIFT PH Learning Alliance.pdf](http://www.lift-fund.org/Delta%20II%20Lessons%20Learned%20Workshop/Case%20Study%20IRRI%20LIFT%20PH%20Learning%20Alliance.pdf)

LIFT has piloted some storage and collective selling of paddy with positive results in terms of income for the farmers involved.¹¹ Contract farming is seen as a potential solution to strengthen the relationships between farmer groups and rice millers and input traders. Mercy Corps is piloting a new contract model involving small village rice mills that have been upgraded and that provide quality inputs (seeds and fertilizers) on credit to farmer groups who, in turn, sell higher quality paddy back to the millers at a higher price¹².

These village based millers play an important role in encouraging farmers to improve quality through relationships with the farmers that brokers often do not have. Bulk selling of large quantities with the adequate quality is crucial to the success of these models. The possibility for small farmers to join the groups and store paddy after the harvest when they need to reimburse their loans will be dependent on the availability of financial capital through the linkage of the groups with rural finance providers.

The success of these collectives will also depend on longer term organizational support for them to develop as true service-oriented cooperatives beyond village level. Initial efforts of LIFT partners are promising, but only nascent and limited in scale¹³. It is important to consider the future role of farmer cooperatives, explore what legal status can be given to farmer organization beyond the existing and limited official status for cooperatives (Ferguson, 2013) and to work in a long term perspective to build their organizational capacities and the financial viability of the services they provide.

Access to microfinance has increased considerably in the Delta partly due to LIFT support (to PACT and Proximity Designs), but also to the increase of MADB loans and the recent expansion of cooperative loans in nearly every village. In the Delta, while 90% of households take loans, only 34% access private microfinance and 30% government loans (mostly MADB)¹⁴. Money lenders are an important source of credit for 37% of households. There is probably a large unmet demand for larger and longer term loans. Microfinance itself will probably not bridge this gap; there is a need to diversify financial products and services¹⁵, in particular toward agricultural investment such as for equipment lease¹⁶, storage inventory credit, insurance for storage as well as finance for agro-based small enterprises.

This component of the Delta 3 programme focuses on farmers, especially smallholders with less than 10 acres (non-irrigated or 5 acres irrigated), to create new opportunities to increase their farm profitability. The programme will have a strong focus on the rice sector and five prioritized integrated outputs around seeds, farm advisory services, post-harvest management, farmer organizations and rural finance. The programme will build on and scale up the successes and learning from Delta II through the following outputs:

- Integrated and sustainable quality seed supply: ensure a sufficient and sustainable provision of quality seeds for the most prevalent varieties through a better integration between formal and

¹¹ Mostly WHH Purchase Finance System and Gret Inventory Credit, see: <http://www.lift-fund.org/sites/lift-fund.org/files/uploads/documents/GRET.pdf>

¹² The evolution of Mercy Corps contract farming system is explained in their presentation: http://www.lift-fund.org/sites/lift-fund.org/files/uploads/documents/MC_Contract_Farming_LL_GP_workshop.pdf

¹³ See for example the AVSI experience : http://www.lift-fund.org/sites/lift-fund.org/files/uploads/documents/AVSI_LIFT_cooperative_approach_in_Delta.pdf

¹⁴ LIFT Household Survey 2013; These numbers have increased sharply with respectively 19% for microfinance and 14% from government (mostly MADB) in 2011 LIFT Baseline survey.

¹⁵ See more details in LIFT strategy paper: "Developing an Inclusive Rural Finance Market"

¹⁶ See GRET successful experience in Hire Purchase: http://www.lift-fund.org/sites/lift-fund.org/files/uploads/documents/Gret_Hire%20purchase.pdf

informal sectors involving government services, private seed companies and local seed-growers organized in associations;

- Extension services and farm advisory services: develop sustainable and mixed public-private approaches, partially subsidized, on-demand, quality and customer oriented to improve the capacity of farmers to make profitable investments (access to quality inputs, efficient use of inputs, mechanization, summer rice, winter crops, etc.);
- Post-harvest management and collective storage: increase access to post-harvest services to increase rice quality and link improved quality to specific marketing strategies (contract farming, storage and bulk selling, high quality market, etc.) to ensure farmers generate higher profits;
- Farmer organizations: scale-up intra and inter-village and community based organizations towards professional farmer associations that deliver improved services to their members;
- Rural finance: expand micro-finance outreach and diversify financial services and customers towards SMEs.

Component 2: Access to new economic opportunities for landless/poor households: off-farm income generation, skills development and support for migrants

The proportion of landless households in the Delta is much higher than in the rest of the country, especially in LIFT targeted townships (66%)¹⁷. This is the result of strong inequalities in land access and earlier policies which have led to the dispossession of smallholders (GRET, 2014, draft), as well as the difficulty to maintain the viability of small farms in the southern part of the Delta where intensification potential is limited. However, many landless choose to stay in the Delta because there are sufficient livelihood opportunities. Casual labour and fisheries are the main income sources for 18% and 24% of the households in the Delta respectively¹⁸. The fishery sector (casual labour or own catch selling) is the main income source for 37% of the landless¹⁹. This situation is changing however, and migration is increasing, driven by better paid job opportunities in Yangon²⁰. Migration to more distant destinations seems limited to the better-off due to the investment and networking required.

LIFT has not yet worked with migrants or provided any migration-related support in this region. Permanent migration to Yangon is often a long term investment that needs adequate resources. It seems especially important to help the poorest households to access safe migration opportunities through proper information and planning. The new programme will have to identify potential activities that may include facilitating information on relocation conditions, employment types in demand, contracts in the migrant receiving areas, skills development and remittance transfer and remittance investment opportunities. These options have to be considered in the medium term based on a better knowledge of migration patterns and migrant needs.

In the short term, this component will target landless and poor households to access new opportunities either through migration or better local employment, and/or through increasing the productivity of their non-land based livelihood activities²¹.

¹⁷ LIFT Household Survey 2013

¹⁸ Ibid.

¹⁹ LIFT Baseline 2011

²⁰ EMR & WB (2014) QSEM Round Four Report.

²¹ Some activities may require land resources, such as home gardening, aquaculture, but they are accessible to land-poor households who still have access to very small plots of land around or close to the house.

LIFT activities targeting landless families (livestock husbandry, vegetable gardening, cash-for-work, etc.) have so far been limited in scale and impact. Some activities have had some success, such as flower production and eel fattening²². In general however, the identification of opportunities for the landless is challenging and marketing channels may take time to develop. On the other hand a rapid increase in popularity of an activity may intensify competition and reduce margins²³. It seems important to trust the capacities of the beneficiaries to identify new opportunities and to support their capacity to analyse business prospects.

Microfinance is the most flexible tool to enable rural households to access opportunities in the off-farm sector alongside specific skills and business training. The programme will ensure that microfinance activities reach all rural areas in the target townships by bridging gaps in service provision.

Without any investment capacities of their own, the pursuit of off-farm economic activity by landless and poor households may fail. The programme will consider the provision of cash grants alongside loans as start-up investment, based on specific conditions such as the successful completion of training, a robust business plan and a good analysis of the demand for the service the candidates wish to establish. It might be considered as well to support the start-up of small entrepreneurs providing services to farmers as a way to facilitate access to mechanization. The programme will ensure that the rules for allocating grants and loans to economic activities are coherent across townships and partners.

LIFT has approved funding for a WorldFish project to develop small-scale aquaculture in the Delta and the Dry Zone (under the Learning and Innovation Window). This project will contribute to this component²⁴, as aquaculture may be suitable to complement / replace wild fish capture. Alongside technical support, WorldFish will work with relevant service providers to identify financial products to support small scale investments in the aquaculture sector.

An additional LIFT investment in a value chain study of fisheries with MDRI/CESD and Michigan State University will also contribute to a better understanding of the opportunities presented by the fisheries sector. These results should be available by the end of 2015.

This component focuses on landless and land poor, casual labourers, fishing communities, households close to the poverty line who have sufficient labour resources to invest in new livelihood opportunities if given adequate source of training and funding. This component will contribute to the following outputs and potential activities:

- Increased income through new and more profitable off-farm activities; support to productive activities with good marketing prospects and limited land requirement:
 - skills, technical and business training;
 - Start-up grants, rural finance
 - Small scale aquaculture
 - Agricultural entrepreneurs
- Support a safer and more profitable migration:
 - Information and skills development;
 - Relocation support to landless and poor households;
 - Financial services for migrants (loans and remittance transfer support).

²² See the experience of Thadar: http://www.lift-fund.org/sites/ift-fund.org/files/uploads/documents/Thader_HG_Eel_Farming.pdf

²³ For example the development of battery charging services and solar panel selling (WHH)

²⁴ It should be noted that the WorldFish project might be only partially targeting the programme areas.

- Strengthening the position of small fishermen in the fishery value-chain
 - Access to fisheries, processing activities, collective marketing, etc.
 - Sustainable and responsible collective management of wild fisheries

Component 3: Improved nutrition

Both stunting and wasting rates are higher in the Delta (27% and 9.4% respectively) than in the uplands of LIFT’s operational areas, and only slightly better than the rates in the central dry zone²⁵. Childhood stunting, is an indication of chronic malnutrition and long term food insecurity, the causes of which can begin in pre pregnancy and whilst the child is still in utero. Stunting is usually caused by long term poor access to adequately diverse foods and poor health of both the mother and child, often caused by poor hygiene and sanitation. If a child is stunted by the age of two years they are unable to ‘catch up’ to reach their full growth and developmental potential. This means that the window of opportunity to limit stunting is from a woman’s pregnancy through to her child’s second birthday – the so called “one thousand day” window.

Children’s dietary diversity in the Delta is better than in the Dry Zone and in the Uplands. Nevertheless, only 43% children under two years consume an adequately diverse diet. Optimal infant feeding rates are very low with just over a third (21%) of children being exclusively breastfed²⁶. Surface water is the main source of drinking water for 87% of households in the Delta and most households use cloth filtration, which is an inadequate method of water purification. Water scarcity affects over 50% of the villages mostly from March to May²⁷. Hygiene practices are suboptimal.

The Delta 3 programme will address the immediate causes of stunting, including inadequate food intake and disease at the individual level, as well as some of the underlying causes like awareness, knowledge and resource allocation to improve dietary practices and especially during key life stages, and some of the key barriers to optimal infant and young child feeding and care practices. Previous programmes in the Delta have not included WASH activities, but LIFT’s new strategy stresses their importance alongside nutritional education and other nutritional activities. This component’s limited resourcing is likely to be invested in software rather than in WASH infrastructure or in new water supply sources.

Empowerment and inclusion of women should be a central and cross cutting theme. This will require promoting gender equality and equal access to services and opportunities whilst also understanding and respecting the unique gender roles which influence food and nutrition security. The empowerment of women and their role is central from the nutrition perspective for a number of reasons: women are the primary caretaker role within the household; there are increased nutritional requirements during pregnancy, lactation; women reduce their own consumption as a coping strategy²⁸; women are often the main decision maker on food and household expenditure. In other words, women are key agents of change on key factors which will impact on the improved nutrition security at the individual and household level. Potential outputs and activities under this component may include:

- Improved feeding practices:
 - nutrition education and promotion of exclusive breastfeeding, improved infant and young child feeding and caring practices, supporting small home gardens;

²⁵ LIFT Household Survey 2013 (not representative for the whole Delta, but for areas where LIFT is active).

²⁶ LIFT Household Survey 2013.

²⁷ Ibid.

²⁸ Gender Development Initiative, Gender Issues Survey Report of Food Security Programme in Mawlamyinyun and Hlaingbone, Save the Children, May 2010

- maternal cash transfers to pregnant women, breastfeeding mothers and children under 2 years (the 1000 day window);
- increasing access to nutritious foods for pregnant women and young children.
- Improved hygiene practices:
 - hygiene promotion and community sanitation services;
 - technical support to village and township planning for WASH infrastructure.

Component 4: Increased resilience of the most vulnerable households

This component targets the most vulnerable families; those who have few assets and limited opportunity to migrate and as such are vulnerable to shocks with limited coping capacity. According to World Bank Group (2014, p. 22) *“not unlike in many low income economies, a large fraction of Myanmar’s population was clustered around the poverty line, both above and below (...)”*. So, to reduce poverty it is equally important to reduce the vulnerability of those just hovering around the poverty line as it is to raise the income of the poorest. This is where the concept of vulnerability is crucial. With LIFT support, SPPRG has developed the 'Vulnerability and Resilience mapping tools' (Griffiths & Sai Kyi Zin Soe, 2012) to measure vulnerability and better target vulnerable households. The Delta 3 programme will ensure that partners invest time to understand the vulnerabilities across their programme and in the targeted villages, and demonstrate how each project reduces those vulnerabilities.

LIFT has some examples of social protection mechanisms that suggest some potential. The village social funds set up by Thadar Consortium, show promise as a long term and collective coping mechanism²⁹. This system builds on existing community based social protection mechanisms, intra-village solidarities and practices (Griffiths & Ei Ei Thu, 2014). Village revolving funds, such as those established by WHH, are proving to provide flexible alternatives to the finance of microfinance institutions and are often easier to access by landless households. Their linkage with a social fund may increase their impact on vulnerable families while increasing solidarity in the village and the sustainability of these funds. These mechanisms include emergency or conditional cash transfers as a primary insurance in some high vulnerability circumstances.

Interventions aiming at advising vulnerable farmers on managing debt and investment seem relevant. This may include access to cheaper loans, investing in more productive activities, or stepping out of agriculture early enough to avoid losing the little they have. On-demand advisory services may offer an opportunity for debt trapped households to adapt their household economic management.

Climate change adaptation is an important aspect of resilience in the Delta which is an area prone to cyclones, floods and facing more frequently irregular monsoon onset and ending affecting crops and livelihoods. Component one and two are fundamental in improving the households resilience through access to submergence resistance rice varieties, post-harvest and storage management and income diversification. The programme will also consider community approaches to reduce vulnerabilities through Disaster Risk Reduction measures and collective natural resource management.

Potential outputs and activities under this component may include:

- Reduced vulnerabilities and increased resilience by:
 - Vulnerability and resilience mapping, village action plans and DRR plans;
 - Support to local community-based social protection systems and village social protection funds;

²⁹ See http://www.lift-fund.org/sites/lift-fund.org/files/uploads/documents/Thadar_Social_Protection.pdf

- Direct conditional cash transfers for households with vulnerabilities.
- Reduced indebtedness and improved loan management by vulnerable households through advisory services, financial literacy, affordable credit, debt relief programmes.

Component 5: Support to pro-poor policies and stakeholder coordination

The programme will aim to contribute to the ongoing development of government policy, strategy and plans, such as the Framework for Economic and Social Reforms (FESR), the National Strategy on Rural Development and Poverty Alleviation, The National Action Plan on Agriculture³⁰, the National Adaptation Programme of Action to Climate Change (NAPA), the Strategic Framework for Rural Development of MoLFRD, the National Plan of Action for Food and Nutrition.

Delta 3 will produce evidence and lessons with policy implications, which provide opportunities to contribute to the implementation and improvement of government policies. The programme will also interact with technical departments at union, regional and township levels. Specific policies that the programme could potentially influence through dedicated studies, lessons from on the ground experience, strengthening advocacy groups and direct engagement with public actors are:

- Seed Law and Seed Policy*
 - What role for the private sector?
 - How to integrate formal and informal seed systems?
 - How to improve quality assurance systems?
- Pesticide Law
 - How to improve law enforcement?
 - Quality insurance systems in the private sector?
 - Independent information systems to farmers
- Union and regional fishery law and policy*
 - What role for small fishers in the policy? What access to fishery lots?
 - How to balance sustainable management of fisheries and regional state revenues?
 - How to support DOF capacities to control fishing practices and promote sustainable practices?
 - Revision of the regional fisheries law drawing on recent experience from Rakhine.
- Financial Inclusion Policy*
 - Access to microfinance and financial product diversification
- Social protection policies
 - Design of a regional social protection plan
- Strategic Framework for Rural Development*
 - Connect village and DRR plans to regional planning processes
- National Land Use Policy* (draft)
 - Design pilots for village land use mapping and independent local conflict resolution mechanisms
- Association Law, Cooperative Law
 - What status for farmer organizations and unions?
 - How to develop a strong and independent cooperative movement?
 - How the cooperative department can better support the farmer cooperative? What services are needed?

³⁰ The National Action Plan on Agriculture (NAPA) is under development by FAO and funded by LIFT.

** The laws and policies with an astrix above are those that LIFT and its partners have already had some contribution to.*

Knowledge building and policy advocacy is an objective for LIFT at the national level. For example, LIFT may influence the seed policy and support the enforcement of the seed law through activities in multiple programmes. There will be a need for interaction between the Dry Zone, Delta and Rakhine programmes on their respective seed components, approaches, etc. The programme will interact with policy advocacy groups at national level such as the Food Security Working Group (FSWG), Land Core Group (LCG), Food Security Information Network (FSIN) (for food security and nutritional surveys), SPPRG, the Microfinance Working Group or the Business Innovation Facility.

In addition to monitoring and evaluation tools, the programme will be based on a robust knowledge system: ensuring that lessons are captured through evidence-based research and shared between partners and relevant stakeholders. The Communities of Practice established under the Delta 2 programme will need to be strengthened towards more result-oriented objectives.

The programme will ensure strong coordination between stakeholders in the Delta through several mechanisms that have become established either by or in association with Delta 2:

- Continue the support to the Bogale Agricultural Technical Working Group and extend its mandate to other townships or create similar structure in Laputta – Maung Mya, strengthen the linkages with the FSWG.
- Communities of practice involving both IP technical teams and township level department staff
- Regular regional workshops and multi-stakeholder events such as agri-fairs

The decentralization process and political reforms give scope for more direct engagement between the citizens and their government representatives at various levels. There are probably opportunities for LIFT to support local governance, develop capacity and promote linkages and networking.

The recent Village Tract Administration Law has strengthened the representative nature of the village tract administration with some limitations and an overall continuation of political monopoly by influential families which reduce the legitimacy of some key local committees such as the newly established Village Development Support Committee (VDSC) and the Village Land Management Committees. There will be opportunities to fund activities to strengthen local governance, improve the legitimacy and representativeness of these committees, linkages with township level committees and public services, educate local leaders (e.g. on land registration processes), etc.

There is a strong farmer movement in the Delta (through informal unions and political parties) that wish to tackle issues such as land conflict, indebtedness, the lack of rural services, etc. Alongside farmer organizations, there is a more politically oriented farmer movement (e.g. the Farmer Union Network, also called Myanmar Peasant Union). LIFT needs to better understand how unions and associations operate and are developing, e.g. assess how they relate to their members, what their priorities are. Options will need enquiry and careful consideration.

Some other small local organizations, CSOs with a strong activist agenda could be supported to allow greater transparency and representativeness. A small grant programme accessible for local organization

to strengthen institutional and advocacy capacities could be set up with LIFT or through one IP such as the FSWG³¹.

The recent reforms and the distribution of Land Use Certificates to farmers have led to an increase of land related conflicts, mostly related to old issues linked to the paddy procurement policy prior to 2003 and land losses due to over-indebtedness. Many rice growing areas are still registered as forest land even after having been cleared some fifty years ago. The recent National Land Use Policy opens the door for piloting new independent conflict resolution mechanisms and addressing land use planning deficiencies.

The proposed outputs and related activities under this component are the following:

- Strengthening knowledge systems: thematic studies, documenting lessons, production of IEC material, communities of practice (CoP)
- Strengthening local governance systems and decentralization processes: improved linkages to public services, coordination and communication channels between villages and townships, village leader capacity building, etc.
- Support institutionalization and representation of small farmers, fisherfolk, landless interests for economic and advocacy purpose through a small grant programme for local CSOs
- Support land tenure and land access for smallholders
 - Pilot an independent local land conflict solving mechanism based on the National Land Use Policy
 - Education about land registration processes
 - Village land use planning
- Efficient coordination systems for the programme management purpose through the BATWG, CoP, workshops, etc.

Programme scope

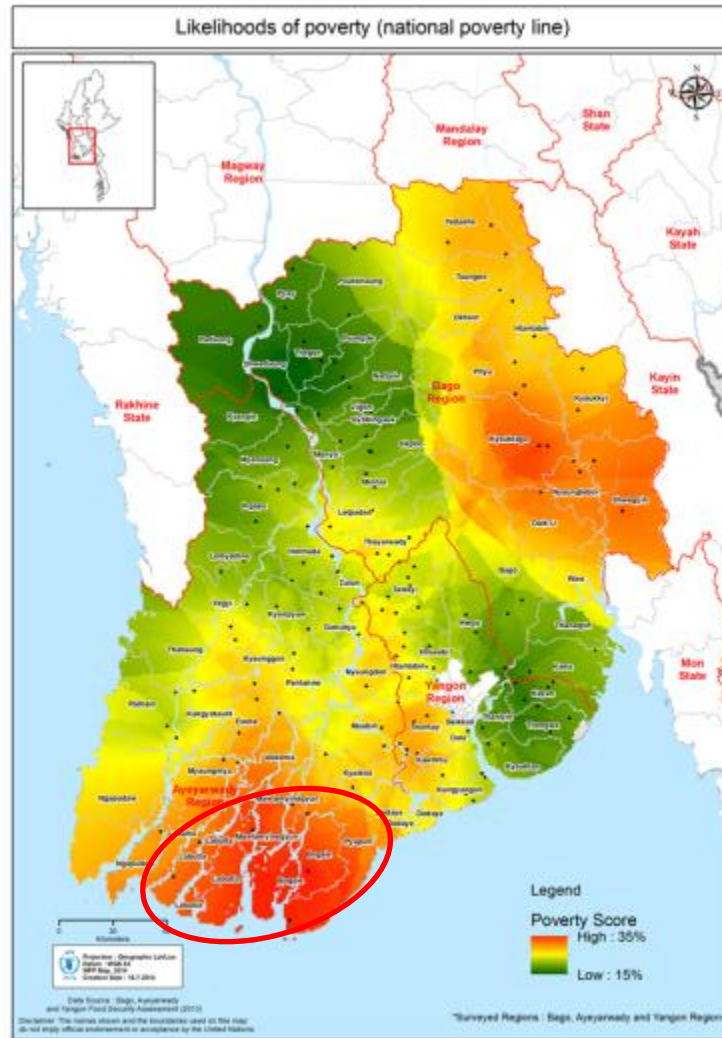
Geographical coverage and targeting

The programme will be implemented in four townships in the southern part of the Delta: Bogale, Mawlamyinegyun, Laputta townships. This geographical focus is intended to bring direct support to the local villagers of these three townships; however it doesn't prevent to the possibility of including activities located outside this area where it is relevant to build services, create linkages to public and private service providers, markets and government, especially in the township, district and regional towns, including Maungmya and Pathein. Some services or organizations may also be developed / supported to a larger coverage for some specific reason (market, economy of scale, policy needs, etc.).

This geographical focus is based on two opportunities:

- To build on existing interventions, this coverage is similar to Delta 2.
- To focus on the area with the highest level of poverty as measured through the latest WFP Food Security Assessment (WFP, 2014). See the map below.

³¹ The FSWG through LIFT funding is already providing this kind of support (training and small grants) to its members at national level. The programme could assess how the FSWG could expand these activities at regional and township level.



Target population:

Township	Area (Km2)	Pop density	Population*	Households	HH Size
Laputta	2,741	113	309,466	75,630	4.1
Bogale	2,897	109	316,516	76,006	4.2
Mawlamyinegyun	1,110	276	306,927	74,840	4.1
Total	6,748	138	932,909	226,476	4.1

* Only enumerated population within households

Data source: Area: MIMU, 2011; Population: census 2014.

The rural population in the three townships is approximately 933,000 people with 60%-72% landless³², 16% smallholder farmers³³ and 12% medium to large landholders³⁴.

³² 59.5% in the four villages surveyed by GRET-land project (2014), 66% in LIFT Household Survey 2013, 72% in LIFT Baseline 2012

IRRI has produced rice environment maps for these townships (see annex 3). This allows us to better distinguish between the different agro-ecological zones, especially between brackish (only monsoon cultivation) and fresh water area (double cropping).

In the southern-most part of the Delta, the brackish area has a lower population density, large landowners and a higher percentage of landless mostly depending on fisheries. Access to markets and town centres is more difficult. Resilience especially to health issues and to natural disasters (cyclone or crop failure) is considered especially low. Access to fresh and clean water is more problematic. It is recommended to prioritise components 2, 3 and 4 in those areas.

In the fresh water area where double cropping and irrigation are possible, the population density is higher with a higher percentage of smallholder farmers who are the main target for the component 1.

Budget, phasing

The total LIFT investment proposed for the programme is USD30 million.

It is proposed that the total envelope should be allocated through different “implementation packages” as provided in the Programme Framework in annexe 1. The allocations detailed below are estimates and could change as the programme takes shape:

- Package 1. Diversified rural finance (\$8m) including finance for both agricultural and off-farm livelihood activities
- Package 2. Agricultural services through collective systems (\$6m)
- Package 3. Off-farm livelihood opportunities (\$3m)
- Package 4. Nutrition, including WASH (\$4m)
- Package 5. Increased resilience (\$2m)
- Package 6. Coordination and governance support (\$1m)
- Package 7. Integrated seed value chain (\$3m)
- Package 8. Complementary supports (\$3m) including a small grant window

The programme will be rolled out in phases.

- Phase 1: It is anticipated that it will include two Calls for Proposals (CfPs):
 - 1st CfP for package 1 on financial services. This will be part of a national CfPs on rural finance to be launched in February 2015.
 - 2^d CfP (March 2015) for packages 2, 3, 4, 5 and 6 covering all five components concerning activities where LIFT partners have sufficient experience and a good potential for scaling up existing activities. In particular, component 4 will focus on identifying vulnerabilities and preparing village development plans that may serve as the basis for other social protection activities.
- Phase 2 (end of 2015): this phase will aim to complete the existing components with additional activities and approaches based on additional information provided through research and surveys, particularly regarding:
 - Integrating the formal and informal seed systems
 - Identifying interventions in the fishery value chain

³³ This statistic refers to farmers with less than 10 acres. For the programme purpose it would be interesting to use a more flexible definition considering farmers with less than 10 acres non-irrigated lands or with less than 5 acres irrigated lands. Irrigation, if effective, more than doubles the economic productivity of the land.

³⁴ LIFT Baseline, 2012

- Identifying migrant needs
 - Identifying local CSO needs and ways to increase their involvement in advocacy
 - Designing a process for a small grants programme
- Phase 3 (mid-2016): An additional phase is anticipated mainly to complete identified gaps, answer specific demands identified during the programme implementation.

Timeframe

Ideally, the development of this programme should allow implementing partners to start operation by mid-2015 so as to limit costs for team mobilization and build on the IP existing infrastructure. The most efficient process would allow potential IPs to start operation in September at the earliest. It means that there will be a minimum three months gap with some existing projects. These situations will be considered on a case-by-case basis.

January 2015	LIFT Fund Board discussion on the programme scope, overall Programme Framework and phasing
February and March	Consultations with partners and government
End of February	Final validation of the Programme Framework and Call for Proposals
Mid March	Call for Proposals
Late April	Proposal submission
July	Proposal approval
August	Negotiation and contracting for Phase 1
September	IP mobilization

Annex 1: Summary of Programme Framework

LIFT Outputs (national)	1. Increased sustainable agricultural production by small holder farmers.	2. Improved market access and market terms for small holder farmers.	3. Increased employment in non-farm activities for small holders and landless.	4. Increased access to affordable financial services by small holders and landless.	5. Improved diets of women and children.	6. Safeguarded access to & sustainable use of natural resources for smallholders and landless.	7. Strengthened local capacity to support and promote food and livelihoods security.	8. Generation of policy-relevant evidence regarding small holder farmers and landless.
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Priorities in the Delta	1. Strengthen the smallholder farmer position in the rice value chain (step up)	2. Increase access to new off-farm economic opportunities for landless/poor households (stepping out... and up)	3. Address vulnerabilities: social protection measures, improved nutrition, reduced indebtedness and higher land tenure security (hanging in).
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Implementation "packages"	<p>1. Diversified rural finance (\$8m):</p> <ul style="list-style-type: none"> Expand existing pro-poor services (MFIs) New financing for small scale ag technologies, esp. water & mechanisation Finance for private ag. services, SME and farmer organisations/coops (storage systems, inventory credit) Finance for off-farm livelihoods New financing for social protection (IDAs) TA for institutional sustainability of MFIs 	<p>2. Agricultural services through collective systems (\$6m)</p> <ul style="list-style-type: none"> Extension services to farmers through public, private service providers Support seed-grower organisations at township level Advisory services for farm management Technical, managerial and institutional support to farmer organizations Post-harvest platforms, collective marketing 	<p>3. Off-farm livelihood opportunities (\$3m)</p> <ul style="list-style-type: none"> Finance for start-up Vocational and business training Support to aquaculture and fishery management 	<p>4. Nutrition (\$4m)</p> <ul style="list-style-type: none"> Nutrition education & MCTs for improved infant and young child feeding Hygiene and sanitation promotion Technical support for WASH infrastructure 	<p>5. Resilience (\$2m)</p> <ul style="list-style-type: none"> Support for local social protection systems and DRR plans Debt relief activities 	<p>6. Coordination and governance support (\$1m)</p> <ul style="list-style-type: none"> Support IPs and stakeholders' coordination Support for local governance 	<p>7. Integrated seed value chain (\$3m)</p> <ul style="list-style-type: none"> Integrated seed supply between gov't and private seed growers Facilitate private sector branding, marketing, distribution 	<p>8. Complementary support (\$3m)</p> <ul style="list-style-type: none"> Support to migrants Support to the fish value chain Small grants window for local CSOs
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Timing of contracting

Phase 1 (\$24m):

1. Call for proposals on rural finance (1) in Q2 2015 (\$8m) – national CIP
2. Call for proposals on agricultural services (2), off-farm livelihoods (3), nutrition (4), resilience (5) and coordination & governance support in Q2 2015 (\$16m)
3. Design and contract the following studies:
 - Study the seed supply system and seed demand in the Delta
 - Study the institutional framework for farmer economic associations, cooperatives and farmer unions

Phase 2 (\$6m):

1. Call for proposals on integrated seed value chain (7) in Q4 2015 (\$3m)
2. Call for proposal on migration and other complementary support, including small grants window (8) in Q4 2015 (\$3m)

Annex 2: List of projects funded by LIFT in the Delta

Project funded under Delta II:

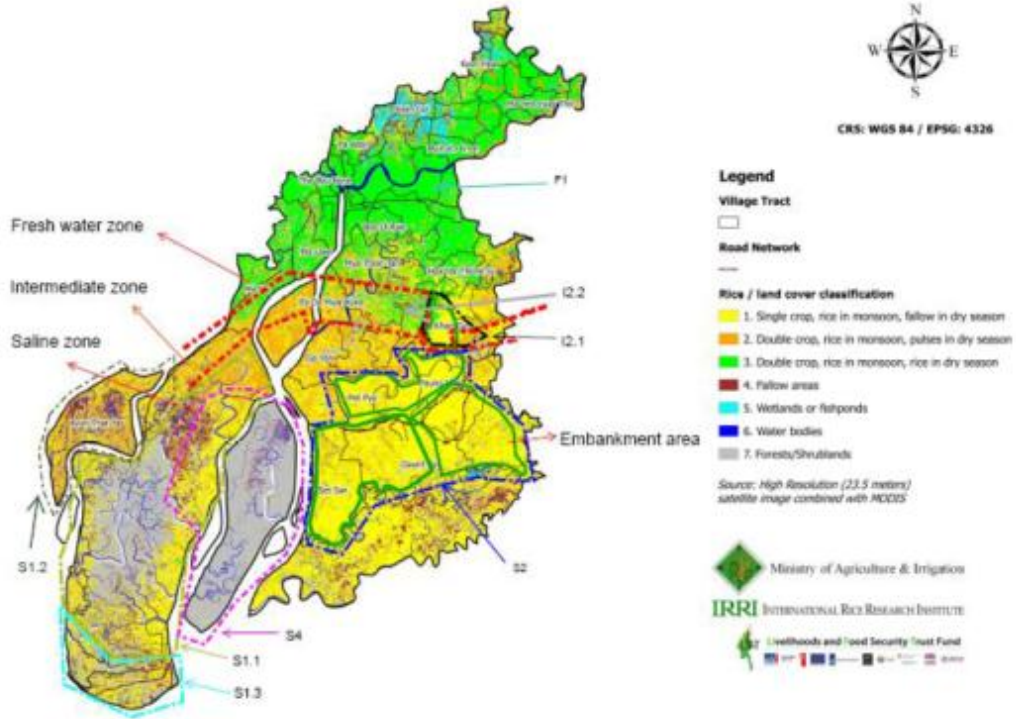
IP	Focus	End date
WHH – GRET	Agriculture and value chain strengthening	15-06-2015
MSN	Mangrove protection	04-07-2015
Mercy Corps – AYO	Agriculture and value chain strengthening	30-06-2015
AVSI	Agriculture cooperative	18-09-2014
LEAD	Agriculture, livestock husbandry, tree plantation	04-07-2015
ADRA	Mangrove protection, aquaculture, and value chain	15-06-2014
Proximity Designs	Small-scale infrastructure and agriculture	30-04-2015
Pact (-UNDP)	Microfinance	28-02-2015
Pact	Microfinance	15-07-2015

Project funded under the Learning and Innovation window and active in the Delta:

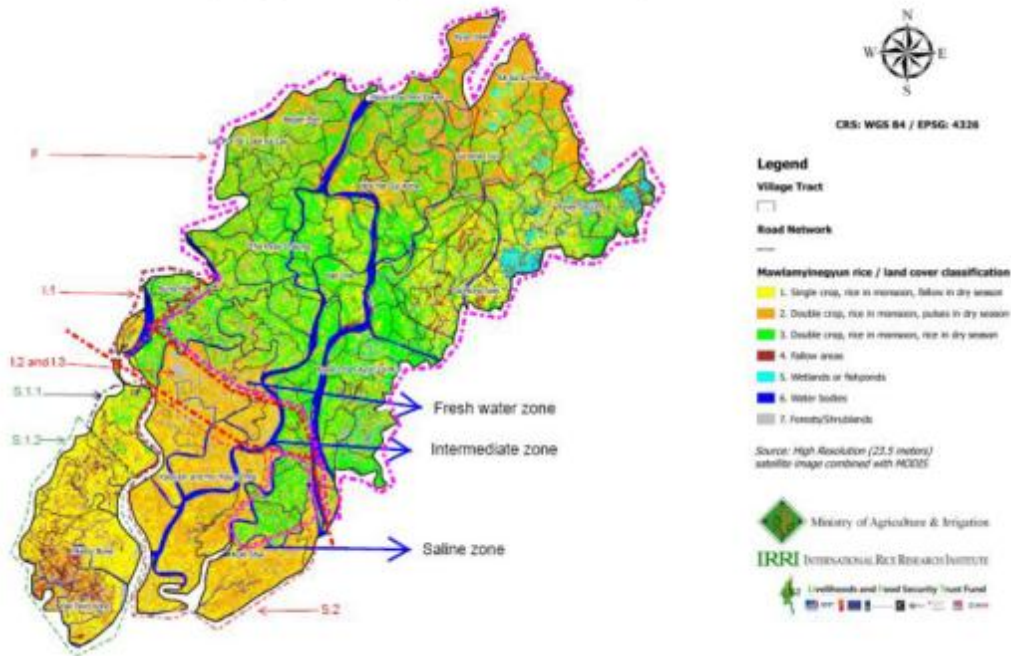
IP	Focus	End date
Radanar Ayar	Agriculture: seed production	10-01-2016
ActionAid – Thadar	Community development, CSO strengthening	11-04-2014
Proximity Designs	Microfinance	31-12-2015
IRRI	Agriculture research	07-09-2015
IRRI	Agriculture research, rice environment mapping	27-08-2015
Oxfam – NAG	Fisheries, policy and value chain	31-08-2014
GRET	Land tenure study	22-12-2016

Rice environment maps of Bogale, Mawgyun and Laputta by IRRI

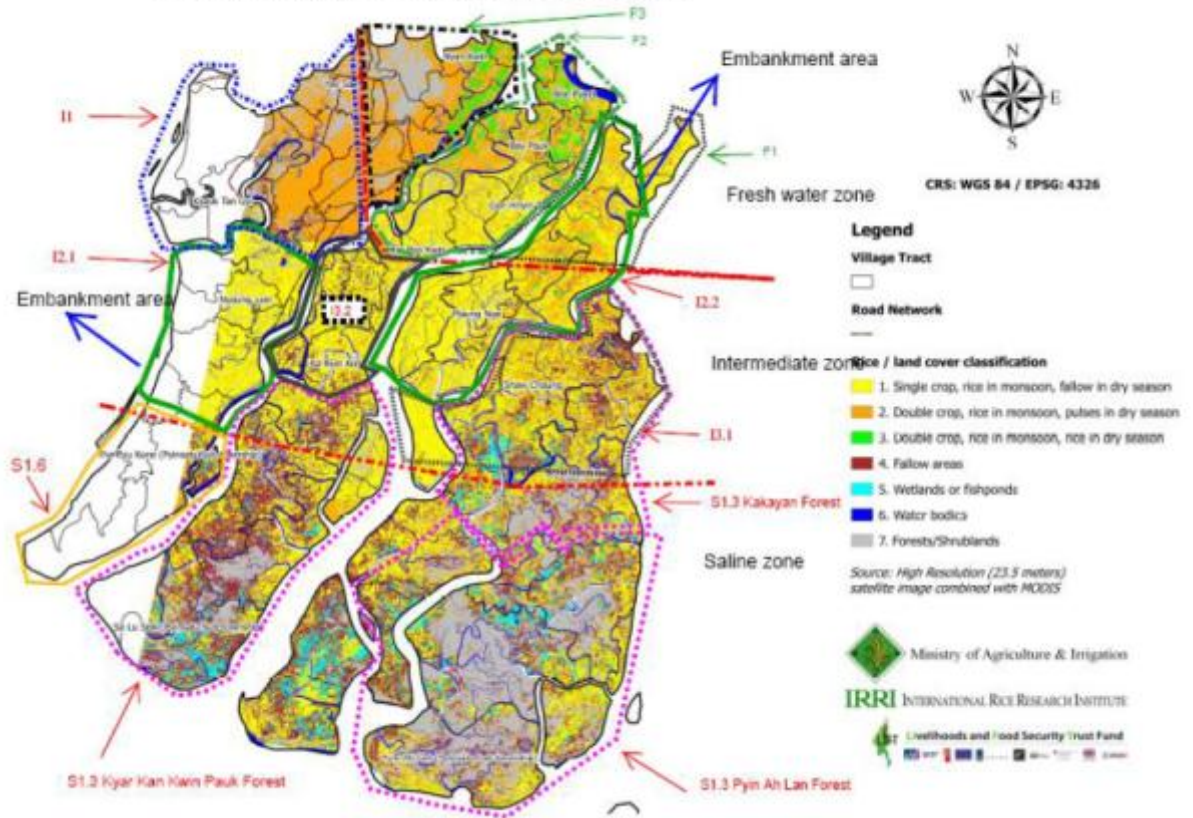
Bogale Township Rice / Land Cover Map



Mawlamyinegyun Township Rice / Land Cover Map



Labutta Township Rice / Land Cover Map



Comments on useful references related to the Delta

Numerous LIFT references have been cited by this paper. These and other LIFT studies available online are useful to consider for the new programme:

- LIFT Baseline 2011
- Household Survey 2013
- LIFT Annual Reports
- LIFT Mid-Term Review by Mekong Economics
- QSEM reports by the WB and MDR
- Consultation on Cooperative Systems (Ferguson, 2013)
- a collection of PowerPoint presentations prepared by LIFT IPs for the Delta Lessons Learned workshop
- a number of documents about social protection produced by SPPRG (www.spprg.org)

A document collecting the narrative of the Delta lessons learned is still at the drafting stage. Some new LIFT studies are also underway or in the pipeline and will bring additional information on migration (WB), farm economics (WB) and land tenure (GRET). Preliminary findings on land tenure have already been shared by GRET (2014, draft).

In addition to these studies and surveys produced by LIFT and its IPs, further understanding on the Delta context can be obtained by reading the following English language documentation (non-exhaustive list).

1. *Vital Signs* by Soe Lin Aung (2012). This is an attempt to present the socio-economic situation of the storm-affected Delta four years after Nargis and provides the results of a qualitative survey in five villages in Bogale Township. It gives some good introduction to the various livelihood challenges met by the local villagers regarding agriculture, land, debt and credit, fisheries and natural resource management.
2. A full analysis of the rice value chain for the whole country has been undertaken by Pyoe Pin's partners (Pyoe Pin, 2010), providing insights about where intervention might focus and highlighting the key issues of post-harvest and quality (the focus of the Delta 3 component 1). This document goes further in analyzing policies and organizational issues.
3. The same year (2010) WHH and GRET undertook a number of value chain analyses in Bogale for rice (Thi Mar Win & Thin Thin Yu, 2010b), for pulses (Moe Aung, 2010), vegetables (Thi Mar Win & Thet Naing Soe, 2010) and duck (Thi Mar Win & Thin Thin Yu, 2010a), and for the fishery sector together with MSN (Kyaw Soe & San Aung, 2010). At the same time, Save the Children organized a review of fishery policies (MMRD, 2010). World Vision has studied the value chain and the market for several agricultural and non-agricultural activities in Bogale and Pyapon (World Vision Myanmar, 2011).
4. The GRET project in Bogale invited interns from Montpellier SupAgro – Institut des Régions Chaudes (IRC), a French agricultural university. Emilie Mury produced an interesting agrarian diagnosis for Bogale (Mury, 2010) with much historical data. More recently Kimchhin Sok completed a review of the reasons for adoption and non-adoption of new agricultural practices and, in particular, improved hand-transplanting methods (Kimchhin Sok, 2013). A Master student from the University of Roskilde has studied the Action Aid experience in supporting CBOs in the Delta (Ditlevsen, 2013).
5. At the end of 2013, GRET reviewed its approach to seed production in the Delta based on an analysis of the seed supply system (Ferrand & Hla Min, 2014). The Netherlands Economic Mission is also looking at the sector and contracted a nation-wide scoping study from Wageningen university which is an excellent reference to consider (van den Broek et al., 2015). Earlier FAO and JICA projects in the Delta also provide relevant documents on the seed sector.

6. The literature on Cyclone Nargis is vast, but some documentation on recovery experiences related to humanitarian aid and disaster risk reduction includes: (Leake, 2013; South, Kempel, Perhult, & Carstensen, 2011; SPPRG, 2014). A consideration of the gender aspects in Disaster Risk Reduction interventions in the Delta is provided by (Kyaw, 2012).
7. Regarding natural resource management, JICA has produced a comprehensive study on the management of mangroves in the Delta (JICA, 2005). A recently published scientific study documents the mangrove quick deforestation (Webb et al., 2014), see a related article in the Irrawaddy: <http://www.irrawaddy.org/burma/mangroves-irrawaddy-delta-gone-decades.html>

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