

Myanmar Agriculture Development Support Project (ADSP)

Conference Call Meeting Notes

September 3, 2014

Attendees: Bank Information Center, Project 2049 Institute, World Bank Project Team

Discussion Summary:

Update on Project Status and Timeline

- The ADSP project is on schedule to meet the February 4, 2015 Board approval date.
- The project is expected to target up to 8 irrigation systems in the central dry zone (Mandalay, Sagain, Naypyitaw, and East Bago). It is expected to benefit about 200-300 Water User Groups (WUGs) and about 25,000 households.
- The project was approved by the Union Parliament on July 2 and the project team is now awaiting the draft environmental and social assessments from the government. The team explained that the earlier rejection of the project by the Parliament was caused by communication problems. The Ministry of Agriculture and Irrigation (MOAI) had presented two projects during that session, the ADSP and the IFAD project in Naypyitaw, which caused some confusion. This issue has since then been resolved.
- The safeguard documents will have to be reviewed by the Bank's regional safeguards team before going out for public consultation, which the Bank team hopes will take place in late September/early October. A technical mission will be carried out in early October.

Project Management and Procurement

- The MOAI is the lead implementing agency of the project, leading both the construction of the civil works component and procurement, but because this is the Ministry's first time undertaking a project like this the Bank will provide close implementation support throughout the project. There is a risk that because of the lack of familiarity with Bank procurement and FM procedures, the project implementation during the early stages could be relatively slow. The team is working on measures to address this risk.
- The Bank's procurement and Financial Management (FM) policies apply in this project. Implementation of the activities on the ground will be coordinated by township ACCs with the technical support from central line agencies.

Water User Groups

- The project team notes that the operating environment in Myanmar is dynamic, and the intention is to have a design which is flexible enough to meet evolving government priorities. As such, it would be unwise to lock the project into the strict design parameters at this time.
- The team wants to use the WUGs (Component 1) to help develop a platform for participatory decision-making through institutions such as the Township Agriculture Coordination Committees (ACC) and to serve as a focal point for the extension and farm advisory services (Component 2) also covered by this project.

- The project seeks to build trust between the government and farmers through these bodies. There is no legislation in place yet to formalize this type of institution-building but the team believes that it is very important that they learn what would be good practices.
- The end goal is that the WUGs representation on the committee is recognized by the ACC partners, and that WUGs are recognized as representatives of and by the farmers in the irrigation systems, that they have a voice in the ACC, and that they accept the outcomes of the debates.
- Criteria for assessing additional irrigation systems include:
 - Technical and financial viability:
 - should have enough access to water sources;
 - can be serviced by irrigation facilities;
 - must have poverty reduction potential (eg. significant incremental yield, increase potential, or moving from a single cropping cycle to double or triple cropping systems)
 - Absence of active conflicts. The Bank's job is to support the transition process, but some of these conflicts go back a long time. They have to address the community to address conflicts, and the ACC could serve as the grievance mechanism for water or land conflicts that arise during the implementation of the project.
 - No significant negative environmental and social impacts.

Agricultural Production Economics Study

- The study is funded by LIFT who is also the main client. The purpose of this analytical work is to establish a knowledge base about representative farming systems in key agricultural production areas in Myanmar - Irrawaddy, Sagain, Bago, and Shan State. The team noticed that one of the motivations for this study was to address existing knowledge gaps, which stems from a shortage of data, to accurately determine how much rice is produced and consumed in the country. The Bank is focused on food security, which also implies that the improvement of export competitiveness is key to increasing farm productivity over the long run. The project team has shared with BIC the report on price volatility in the rice sector.
 - The farm production economics survey covers 1,700 households in the above states/regions. The preliminary results from the monsoon season survey are consistent with the findings of the ADSP technical preparation missions, though there are indications that smallholder systems in Myanmar are more advanced (in terms of being market-oriented and using modern inputs) than previous studies suggest.
 - The final survey, including both the monsoon season and summer harvest season data, should be ready for public disclosure in January or February 2015. The data collected could be made available to all interested parties by LIFT.
 - The team intends to use the findings of the analysis to fine-tune project advisory services and technology packages under Component 2 during the project implementation.

Land Tenure Assessment

- The team noted that the land tenure assessment and conflict sensitivity will serve as a critical input in the project design process. The land tenure mission which was carried out in June is expected to provide useful inputs to the project design. The report will be finalized shortly.
- The preliminary findings suggest that apart from land grabbing, which is a general issue in Myanmar, the team did not notice land tenure conflicts that are significantly different than in other countries with similar property rights and land tenure arrangements. Some of the historic land tenure related grievances in Myanmar (as a transition economy) mimic to some extent the situation seen in Former Soviet Union (FSU) countries, which the Bank has experience dealing with through a number of land administration reform projects.
- The other observation is that land certificates based on inaccurate maps also need to be addressed urgently. This could be done by building on the work of UNHABITAT's on-going land administration support pilot project to improve the administrative capacity of the SLRD. There was an agreement that a separate comprehensive land assessment was needed, though BIC cautioned that it should adopt best practices while avoiding the problems of the Cambodia LMAP project.
- It was agreed that broader land policy dialogue is beyond the scope of the project, and both sides recognize that it is important for donors to be actively involved and that these discussions should build on expertise of LCG, UNHABITAT, and other CSOs like BIC.
- The Bank recognizes the risk of historic land grievances as it relates to the project and is looking to find ways to address them up front and proactively. The team will include grievance mechanisms and education focused on land rights as important subcomponents under the project.

Safeguards

- Given the possibility that some prospective project sites will be located near sensitive ecosystems it is likely that Natural Habitat Safeguard Policy will be triggered. As the location of one of the proposed project sites is near an important wetland and bird habitat on the Mandalay flood plain, the Natural Habitats safeguard may be triggered. The ESMG will provide more guidance on this.
- As the Physical and Cultural Safeguard Policy does not cover agricultural inputs such as seeds (which have traditional value in Myanmar), this policy is not triggered. There was agreement that during the implementation of the project's extension and farm advisory activities, the team could document the types of seeds and crop varieties currently used by farmers when setting up demonstration activities in order to allow the farmers to make their own decisions regarding the technologies they choose to use. This could be done in partnership with IRRI.