

MINUTES OF MEETING

FOR

THE DEVELOPMENT STUDY
ON SUSTAINABLE AGRICULTURE AND RURAL DEVELOPMENT FOR POVERTY
REDUCTION PROGRAMME IN THE CENTRAL DRY ZONE OF THE UNION OF
MYANMAR

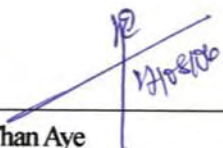
BETWEEN

THE MINISTRY OF AGRICULTURE AND IRRIGATION,
THE MINISTRY OF LIVESTOCK AND FISHERIES AND
THE MINISTRY OF COOPERATIVES

AND

JAPAN INTERNATIONAL COOPERATION AGENCY

Yangon, 17 August 2006



U Than Aye
for the Steering Committee
General Manager
Project Planning Management and Evaluation Division
Myanma Agriculture Service
Ministry of Agriculture and Irrigation
The Union of Myanmar



Mr. Hironori Takahashi
Leader
Study Team
Japan International Cooperation Agency
Japan

Following the Scope of Work (hereinafter referred to as S/W) on “The Development Study on Sustainable Agriculture and Rural Development for Poverty Reduction Programme in the Central Dry Zone of the Union of Myanmar (hereinafter referred to as “the Study”), which has been agreed upon between the Japan International Cooperation Agency (hereinafter referred to as “JICA”) and the Government of the Union of Myanmar on 16 November 2005, JICA has sent the Study Team headed by Mr. Hironori Takahashi of Sanyu Consultants Inc. to The Union of Myanmar.

The Study Team has conducted field survey and collected data and information on the existing condition of the Study area. The Study Team has prepared and submitted 20 copies of Progress Report (1) which contains the Team’s findings and understandings on the existing condition of the Study area (CDZ). The presentation and discussions on the Report was held between the Study Team and Ministry of Agriculture and Irrigation (hereinafter referred to as MOAI), Ministry of Livestock and Fisheries (hereinafter referred to as MLF) and Ministry of Cooperatives (hereinafter referred to as MOC) at the office of Myanma Agriculture Service (hereinafter referred to as MAS) in Yangon on 17 August 2006. The list of participant is shown in the Attachment

The Steering Committee accepted the contents of the Progress Report (1) in principle. Necessary correction, amendment or additions will be discussed between the both sides and the results will be reflected in the following project reports.



List of Participants (1/2)**Myanmar Side**Ministry of Agriculture and IrrigationMyanma Agriculture Service

U Than Aye	General Manager	Planning Division
Dr. Min Aung	General Manager	Seed Division
U Kyaw Yee	General Manager	Land Use Division
U Aung San	General Manager	Procurement Division
U Kyaw Win	Deputy General Manager	Extension Division
U Thinn Aung	Deputy General Manager	CARTC
Dr. Tun Win	Manager	Seed Division
U Tin Win	Manager	Planning Division
Dr. Ye Tint Tun	Assistant Manager	Seed Division
Daw Aye Aye Myint	Assistant Manager	Planning Division
Daw Jenny Loo	Assistant Manager	Planning Division
Daw Myo Ma Ma Than	Deputy Supervisor	Extension Division
Daw Aye Aye Mya	Assistant Manager	Extension Division
Daw Aye Mon Myint	Assistant Manager	Extension Division

Irrigation Department

U Khin Maung Nyunt	Adviser	Irrigation Department
U Ohn Gaing	Superintendent Engineer	Irrigation Department

Ministry of CooperativesCooperative Department

U Min Lwin	Assistant Director	Cooperative Department
Daw Khin Mar Aye	Staff Officer	Cooperative Department

Cottage Industries Department

Daw Tin Swe Aye	Director	Cottage Industry epartment
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Ministry of Livestock and FisheriesLivestock Breeding and Veterinary Department

Dr. Myat Kyaw	Deputy Director	Livestock Breeding and Veterinary Department
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List of Participants (2/2)Observer

Dr. Brent Rowell

Vegetable Specialist

Internation Development Enterprise

Counterparts

U Tint Lwin

National Project Director

Extension Division

U Htin Aung Shein

Assistant Manager

Myanma Agriculture Service

Dr. Yan Naing Swe

Deputy Veterinary Staff Officer

Livestock Breeding and Veterinary Department

Dr. Yan Naing Soe

Research Officer

Livestock Breeding and Veterinary Department

U Aung Khaing Soe

Assistant Engineer

Irrigation Department

JICA Study Team Office

U Kyaw Myint

Deputy General Mnager

Planning Division

Daw Naw Thet Thet Mar

Deputy Supervisor

Planning Division

Japan SideJICA Study Team

Mr. Hironori Takahashi

Team Leader/ Government Service/ Poverty Redution

Dr. Michiaki Hosono

Agronomy/ Agriculture and Livestock Product Processing

Mr. Kensuke Iriya

Livestock

Mr. Hiroshi Okabe

Livelihood Improvement/ Rural Organization

Mr. Norio Sakagami

Coordinator

JICA Myanmar Office

Mr. Masaru Yamada

Project Formulation Adviser

U Kyaw Lwin Oo

Programme Officer

Memorandum

THE DEVELOPMENT STUDY ON SUSTAINABLE AGRICULTURE AND RURAL DEVELOPMENT FOR POVERTY REDUCTION PROGRAMME IN THE CENTRAL DRY ZONE OF THE UNION OF MYANMAR

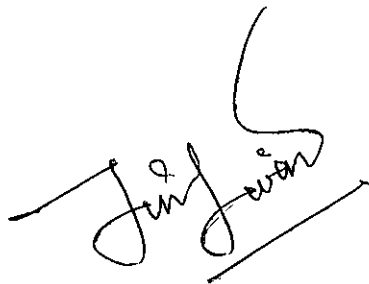
The Study Team submitted twenty (20) copies of Poverty Profile and explained the contents of the report. The contents of the report were generally accepted by the Myanmar side.

The Study Team also submitted materials for discussion on pilot project and the Study Team explained the schedule and components of the pilot projects and discussion was made. The details of the pilot projects will be finalized through the home office work after returning back to Japan.

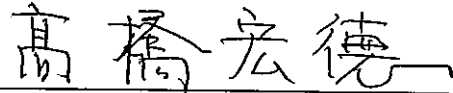
The comments on the Poverty Profile and Pilot Project shall be transferred to the Study Team through JICA Myanmar Office on not later than 10 January 2007. The comments on the Poverty Profile and Pilot Project will be reflected in the Interim Report

Interim Report which describes the draft action plan and pilot project plan will be compiled and submitted in beginning of March 2007. The Study Team will visit Myanmar in mid March to explain and discuss the Interim Report in the Steering Committee.

Yangon, 18 December 2006



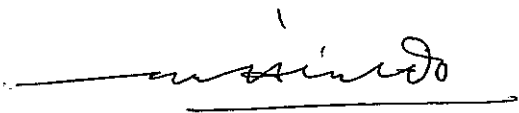
U Tin Lwin
National Project Director
Manager
Myanma Agriculture Service
Ministry of Agriculture and Irrigation



Mr. Hironori Takahashi
Leader
Study Team
Japan International Cooperation Agency

**MINUTES OF THE MEETING
ON
PROGRESS REPORT NO.2
FOR
THE DEVELOPMENT STUDY
ON SUSTAINABLE AGRICULTURE AND RURAL
DEVELOPMENT FOR POVERTY REDUCTION
PROGRAMME
IN
THE CENTRAL DRY ZONE OF THE UNION OF
MYANMAR**

December 13, 2007



U Tin Htut Oo
Chairman of the Steering Committee
Director General,
Department of Agricultural Planning,
Ministry of Agriculture and Irrigation,
The Union of Myanmar



Mr. Kosei HASHIGUCHI
Leader of the Study Team,
Japan International Cooperation
Agency (JICA),
Japan

INTRODUCTION

Following the Scope of Work (SW) agreed upon between the Preparatory Study Team of the Japan International Cooperation Agency (JICA) and the Government of the Union of Myanmar on 16 November 2005, JICA fielded a Study Team to the Union on May 22, 2007 to commence the Phase 2 study of the Development Study on Sustainable Agriculture and Rural Development for Poverty Reduction Programme in the Central Dry Zone.

The Study Team together with the relevant counterparts is now implementing pilot projects since early June 2007 and submitted 30 copies of the Progress Report No.2 to the Steering Committee, following which the Team conducted its presentation to the officers of the Committee chaired by U Tin Htut Oo on December 13, 2007 at a conference room of the headquarters of the Ministry of Agriculture and Irrigation.

The Director General of the Department of Agricultural Planning, U Tin Htut Oo, who was in the chair opened the meeting by firstly welcoming all the participants. Then, U Tint Lwin, former National Project Director of CDZ Study, invited the participants to introduce themselves. He then introduced the agenda of the meeting, which covered the presentations of the Progress Report No.2.

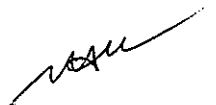
After the introduction, the Chairman of the Steering Committee requested the Study Team to make the presentations. At first the Team Leader presented the contents of the Progress Report No.2 which was followed by recommendations, suggestions and comments by the members of the Steering Committee. The floor was thereafter opened for interactive discussions. The list of the participants in the meeting is attached on the last page hereto.

DISCUSSIONS

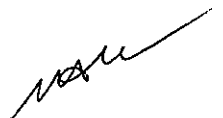
The Team leader started the presentation by reviewing the overall work schedule and then presented the progress of and experiences from the pilot project implementation together with some additional situation analysis and plan formulation. Following are the issues which were raised and discussed:

1. A Steering Committee (SC) member from Livestock Sector pointed out that although ruminants such as cattle, sheep and goats are very important livestock in the CDZ, farmer and villagers have been facing the availability of forage and pasture and/or grazing. He further stressed that improvement of feed availability for livestock through the project is very much important. The Team replied on that by reviewing a livestock component that is feeding improvement. The component includes sorghum growing intercropped with rice beans, mulberry introduction, and also alfalfa introduction. Since the Team found out the villagers in most cases facing the difficulties of getting enough forage, the Team agrees with what the SC member stressed, and is to further promote such components. As for alfalfa, a SC member suggested that the Team should consider for another adaptable fodder crop too in the CDZ (for example- Desmodium, which is a perennial crop). DAR can provide Desmodium seeds and guideline for the cultivation.

2. The SC Chairman pointed out the important role of introducing a new/better breed in livestock sector such as dairy cow and dairy goat. Introduction of the dairy goat will be effective especially for the improvement of children's nutrient and the raising will be suggested for adjacent villages to urban areas to process milk into goat cheese (e.g. cheese production in Meikhtila). The Team replied that although the Team agrees with that idea, first priority has been given to poorer household families to improve their livelihood. The Team has discussed many times with the livestock sector counterparts since last year about the type of goat to be delivered to the poorer people. From the discussions and by considering rural people's preference to meat, not to fresh goat milk, the Team prioritized to deliver meat type goat. Regarding improvement of goat, the Team has provided training on breeding in the improved feeding system to mate with selected good quality buck.
3. The SC Chairman suggested the improvement of the variety of livestock by cross-breeding. A SC member commented that in the Union the farmers would have difficulties of raising pure bred livestock and poor farmers in fact cannot graze improved variety of animal because it needs good and concentrate feed. However, in parallel with improvement of local cattle, improvement/ introduction of crossbred for milk production is also important for poor people. By improving breed, we can prevent cattle from decreasing body weight and we can expect increase of milk production. The Team replied that the milk production in the CDZ has been done by local cows and cross-bred milk cows. Owners of the crossbred milk cows are in fact not so poor as compared to the owners of local cows. Therefore, the Team has been implementing natural mating with quality bulls instead of artificial insemination for poor people.
4. A SC member from Cottage Sector stressed that in accordance with the basic objectives of this CDZ development project, the cottage industry department had benefited in developing potential of their staffs (technical as well as sustainable) by experiencing in activities of many hidden cottage industries of CDZ, which was limited to them in government sector. The member also said that since the project focuses on enhancing the production of agricultural products, cottage industry trainings based on agriculture products in pilot villages, for example, mushroom in Legaing, and other fruit preservation and food processing training would be beneficial to the landless poor. The SC member from the Cottage Sector also said that the department will look for more technical cooperation with the project in the future.
5. In line with the comments above, the SC Chairman stressed that considerations for food processing such as products from dairy milk which is one the traditional food in some dry zone areas, should also be included in the future plan of the CDZ project. Also he pointed out that main barriers for cottage industry development are: 1) lack of investment and 2) transfer of technology. Hence, micro finance system is also a major consideration for development. Introducing revolving fund system in this CDZ project will benefit the villagers.



6. The SC Chairman stressed the need of establishing a revolving fund in rural areas whereby villagers can loan to buy agricultural machineries and tools e.g. small tillers. The Team Leader thoroughly agreed the idea and he linked the suggestion with the revolving fund now being tried under the Cottage Sector. In the pilot projects under Cottage Sector, the beneficiaries are supposed to pay back the initial capital given in a form of equipment and machineries to a village revolving fund. This fund is to be put up in their locality, within their village, and 2nd generation beneficiaries and so on can borrow capital fund from the village revolving fund. The fund could also be utilized for farmers to buy agricultural machineries and tools on loan.
7. The SC Chairman commented that though the Myanmar rice may not look so competitive to Thailand rice from the price point of views as presented in a PowerPoint (PP) slide, it suggests that the Myanmar rice is already in the international market at least to some extent, thereby influenced by the international prevalent price. The Team thinks so in the same line, and now that the Myanmar rice price is nearing that of the Thailand rice, there should be quality improvement for Myanmar rice in order to compete in the international rice market. An idea of improvement of the rice quality was the introduction of paddy dryer and modern storage facilities.
8. A SC member from Department of Agricultural Research (DAR) suggested that there may be lots of possibilities and opportunities of trying new varieties of crops. The SC Chairman also said that the present pilot activities look supporting the existing varieties and existing agricultural practices. Those are in deed important activities and at the same time the Chairman suggested the Team to have some trial on new varieties of, e.g. sesame, sunflower, corn (hybrid and/or open pollinated), physic nut, drought resistant paddy, etc. With the trial, the farmers and Government technical staff can know which varieties are most suitable to which areas. The Team Leader replied that there is a bit of difficulty to import new varieties of foundation and/or certified seeds themselves. However, given some support from DAR, the Team can try such varieties in the pilot villages, and the Chairman also asked the DAR to provide seed so that the Team can do the trial.
9. The Chairman stressed that post harvest improvement shall be considered because this field in Myanmar is still weak and in a stage of developing such storage without using pesticide to control export quality especially for sesame, groundnut, pulses and beans. He also pointed out that knowledge transfer of post harvest technology is also beneficial to the CDZ farmers. For example, usage of storage facilities/ silo, done by locally available material and method are needed for them to maintain seed/ grain quality and to reduce waste of agricultural products. This practice can be regarded as a food security precaution through loss reduction.
10. The Chairperson stressed that there are three important items to be studied in the area such as "crop", "soil", "climate". However, soil map available from the Land Use Division is so broad and it does not show soil types in detail. Without the analysis of the soils, no one can know which crops are suitable to which areas, said the Chairman.



He therefore asked the Team to carry out soil analysis, contributing also to improving the categorization of the CDZ drafted by the Team in the PR No.2. The Team replied that there may be a difficulty for the Team to carry out detail soil analysis to a large extent of the CDZ taking into consideration the budget available, logistics, etc. Then, the Myanmar side suggested the Team to work with the Land Use Division, and also carry out even a minimal level of soil tests. There is already a cheap soil test kit available from DAR for basic soil testing and to educate the farmers at project villages in Myanmar. The Team agreed that idea, and therefore the Team will do a simple soil test by using the available test kit in the pilot villages and to some extent in cooperation with Land Use Division and thus it will work out this soil survey as much as the budget is made available to the project by both sides.

11. The SC Chairman showed a good example of utilizing *Jatropha curcus* seeds as bio-fuel. He also suggested its use not only for commercial basis but also for substituting fuel in rural areas. An idea presented by PP slide is a briquet production mixed with *Jatropha curcus* seed cake, which can be a good fuel alternate for rural people and also they may be able to sell it to nearby urban townships as an IGA.
12. The Chairman suggested that a technical working group should be established because we have already acknowledged our right way to proceed for further development in the area, and the Steering Committee is rather in charge of political issues. Therefore, to move forward especially from the viewpoint of technical soundness, there should be a technical working group which is supposed to meet regularly, say once in every quarter.
13. The Chairman stressed that the importance of bio-security and food-safety has come up. In Myanmar, only agriculture sector can create food and also fuel materials, and crude oil price in international market is climbing up to over 100 US\$ per barrel. Therefore, bio-fuel shall be considered in the Study as well. Bio-diesel will become extra income for farmers in central dry zone, for example, one basket of *Jatropha curcus* seed price is now over 10,000Kyat and demand of it comes from private sectors. Myanmar is a food surplus country and there is still a lot of land without utilizing at present so bio-fuel does not interfere with food crop production, added the SC Chairman.
14. The SC Chairman and the Team Leader exchanged an idea of expanding pilot project areas (township) in the coming new budget year. The SC Chairman suggested that the Team would rather concentrate on the present six (6) townships, and rather not to extend the pilot activities to other townships. This is because we have not yet got concrete outcomes from the present pilot activities and if the pilot area is extended the impact and benefit will be spread out, becoming very thin. In this regard, the Chairman and the Leader would rather prefer to concentrating on the present six (6) townships for the next year's pilot project implementation.
15. The SC Chairman also pointed out the needs to take into consideration the current

climate change phenomena and its related impact on the project area. The JICA Team Leader also presented the changing and erratic rainfall patterns in the project townships. The meeting agreed to continue to study the climate change impact and necessary mechanism to mitigate these effects on small farmers in the project area.



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Participants List of the Steering Committee Meeting on PR No.2Chairman

U Tin Htut Oo Director General, Department of Agricultural Planning,
Ministry of Agriculture and Irrigation

Co-Chairman

U Ohn Than Managing Director, Myanmar Agriculture Service,
Ministry of Agriculture and Irrigation

Secretary

U Hla Myo General Manager (Extension), Myanmar Agriculture Service,
Ministry of Agriculture and Irrigation

U Hla Kyaw Deputy Director General, Department of Agricultural Planning,
Ministry of Agriculture and Irrigation

U Than Aye Deputy Director General, Department of Agricultural Planning,
Ministry of Agriculture and Irrigation

U John Ba Maw Deputy Director General, Department of Agriculture Research,
Ministry of Agriculture and Irrigation

U Kyi Win Director, Department of Agricultural Planning,
Ministry of Agriculture and Irrigation

U San Nyunt General Manager (Seed), Myanmar Agriculture Service,
Ministry of Agriculture and Irrigation

U Maung Maung Yi General Manager (Planning), Myanmar Agriculture Service,
Ministry of Agriculture and Irrigation

U Aung Myint Director, Agriculture Mechanization Department,
Ministry of Agriculture and Irrigation

U Mahn Soe Han Director, Settlement and Land Records Department,
Ministry of Agriculture and Irrigation

Dr. Tin Htut Deputy Director, Department of Agricultural Planning,
Ministry of Agriculture and Irrigation

Daw Win Win Deputy Director, Irrigation Department,
Ministry of Agriculture and Irrigation

U Myint Aung Assistant Director, Water Resources and Utilization Department,
Ministry of Agriculture and Irrigation

Daw Lai Win Khine Manager, Myanmar Cotton & Sericulture Enterprise,
Ministry of Agriculture and Irrigation

U Than Aye Director, Livestock Breeding and Veterinary Department,
Ministry of Livestock and Fishery

Daw Tin Swe Aye Director, Cottage Industry Department, Ministry of Cooperatives

U Zaw Myint Director, Cooperative Department, Ministry of Cooperative

Daw May Than Chit Assistant Engineer, Cottage Industry Department,
Ministry of Cooperative

U Tint Lwin Ex-National Project Director, Myanmar Agriculture Service,
Ministry of Agriculture and Irrigation

U Thura Soe National Project Director, Myanmar Agriculture Service,
Ministry of Agriculture and Irrigation

Daw Htay Htay Staff Officer, Department of Agricultural Planning,
Ministry of Agriculture and Irrigation

Daw Naw Thet Thet Mar Assistant Manager, Myanmar Agriculture Service
Ministry of Agriculture and Irrigation

JICA Study Team

Mr. Kosei Hashiguchi
Mr. Kensuke Iriya
Dr. Motoyoshi Hikasa
Mr. Norio Sakagami

Team Leader/ Government Service/ Poverty Reduction
Co-Team Leader/ Livestock Promotion
Pilot Project Management
Coordinator/ Pilot Project Logistics

JICA Myanmar Office

Mr. Hiroyuki Okuda

Project Formulation Adviser
(on behalf of Ms. Michiko Umezaki, Representative of JICA Myanmar Office)

Golden Plain Agricultural Products Cooperative Ltd.

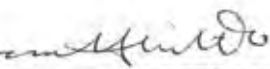
Daw Thein Thein Aung
Daw Htwe Htwe Aung

Managing Director
Chairman

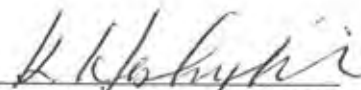
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**MINUTES OF THE MEETING
ON
INTERIM REPORT NO.2
FOR
THE DEVELOPMENT STUDY
ON SUSTAINABLE AGRICULTURE AND RURAL
DEVELOPMENT FOR POVERTY REDUCTION
PROGRAMME
IN
THE CENTRAL DRY ZONE OF THE UNION OF
MYANMAR**

June 30, 2008



U Tin Htut Oo
Chairman of the Steering Committee
Director General,
Department of Agricultural Planning,
Ministry of Agriculture and Irrigation,
The Union of Myanmar



Mr. Kosei HASHIGUCHI
Leader of the Study Team,
Japan International Cooperation
Agency (JICA),
Japan

INTRODUCTION

Following the Scope of Work (SW) agreed upon between the Preparatory Study Team of the Japan International Cooperation Agency (JICA) and the Government of the Union of Myanmar on 16 November 2005, JICA fielded a Study Team to the Union on May 22, 2007 to commence the Phase 2 study of the Development Study on Sustainable Agriculture and Rural Development for Poverty Reduction Programme in the Central Dry Zone.

The Study Team together with the relevant counterparts has been implementing pilot projects since early June 2007, and now they are at the commencement of the 2nd stage of the pilot implementation as of June 2008. The Team already submitted 30 copies of the Interim Report No.2 to the Ministry of Agriculture and Irrigation back in February 2008. A Steering Committee (SC) was therefore convened to discuss the contents of the Interim Report No.2 inclusive of activities that the Study Team has undertaken to date.

The Steering Committee was held on June 30, 2008 at a conference room of the MAS in Yangon. Following self-introduction of the participants, the Director General of the Department of Agricultural Planning, U Tin Htut Oo, who was in the chair made the opening remark by firstly welcoming all the participants, and then thanking JICA for all the collaborative activities rendered.

Then, the Representative of JICA Myanmar Office, Ms. Michiko UMEZAKI, made remarks thanking all the concerned officers for their vital participation to the Study, and also appreciated very much their collaboration in this difficult time referring to the Cyclone.

After the remarks, the Chairman of the Steering Committee requested the Study Team to make the presentation. At first the Team Leader reviewed overall work schedule whereby all the participants could be aware where they were, and then went into the presentation composed of; 1) poverty profile, 2) pilot projects carried out in 2007/08, 3) pilot projects to be carried out in this financial year 2008/9, and finally 4) technical manual as a preview. The floor was thereafter opened for interactive discussions. The list of the participants in the meeting is attached on the last page hereto.

DISCUSSIONS

In response to the presentation by the Team Leader, the Steering Committee members have contributed a lot by giving precious comments. Following are the comments given and also answers made by the Study Team:

1. The SC Chairman commented there are a lot of pilot project activities which are to contribute to improving the people's livelihood. However, on the other hand, those pilot projects seem to be a little bit fragmented, and need to review the pilot activities and analyze the required activities to achieve the overall goal of the Study. The Team Leader replied by showing a CDZ development framework which can work as a platform, or as a hub, for all the concerned development partners to know where to go. The framework starts with development vision (goal), followed by prioritized

development approaches, development strategies, and relevant programs and projects. Now all the pilot projects are related to the programs and projects structured in the development framework. The Leader stressed that in fact just only one or two pilot projects can not directly solve all the problems prevalent in the CDZ, but by implementing prioritized projects in relation to the development framework, in fact that is the case of pilot projects selected in this Study, we can see the path to the development vision (goal) of the CDZ.

2. The SC Chairman commented there should be a development intervention to link with supply chain especially with market, or otherwise products accrued from pilot projects may result in vain. The Leader just replied that the issue for market is sometimes very controversial, and if he is allowed to make some more replies in this paper (not mentioned further during the SC meeting), what the Team should try through the pilot project implementation is to improve their product's quality whereby buyers start coming to them, to reduce the production cost which in turn can increase net profit, or to make arrangement of disseminating information of products, etc. To directly control market is impossible, implying what the outsider including governments should do is to facilitate favorable environment wherein all the producers can freely compete by which they can further improve their products whereby in turn more buyers are coming, and what the outsider including governments should not do is to try to directly control the market but to enforce a law and/or regulate wrong business doing whereby all the players can do sound competition which in turn leads to economic growth through market activities endogenously taking place.
3. The SC Chairman commented that the Revolving Fund to be established under cottage industry promotion should be not only for cottage successive promotion but also for other purposes, e.g. for agriculture input referring to the recent high price of chemical fertilizer. The Leader replied since the capital investment for cottage industry promotion is relatively big as compared to other sectors like agriculture, livestock, etc., the cottage industry was selected in putting up the village revolving fund. However, this does not necessarily mean the revolving should be made only within the cottage industry. Namely, the fund should be open to any villagers including farmers, livestock growers, etc. The Leader again stressed the fund should be open to any villagers and in this sense this becomes multipurpose.
4. The SC Chairman commented that the title 'A2. Organic Farming Promotion Programme' may specify strict organic farming technology only though the programme may cover broader ranges. He continued by saying MAS has done a lot of good agricultural practices (GAPs), including proper use of even chemical fertilizers. Therefore, rather than targeting specific technologies to disseminate, we should take into account experiences of GAPs. The Leader replied that though the programme does not necessarily target strict organic farming promotion only, it is to mainly focus on the introduction of indigenous microorganism (IMO) which can improve soil physical character which in turn can improve water retention capacity, and then which can make crops stand more for droughts. Since the climatic condition in the CDZ is

very unstable, often hit by droughts, there should be a low input measure to make the crops stand against droughts, one way of which may be to introduce IMO, added the Leader. The SC Chairman further commented the name may have to be changed thereby making people understand easily what the project is to carry out for.

5. The SC Chairman commented on whether there is the need for mushroom cultivation to be carried out in this financial year once again. His comment implied that there may be other alternative crops apart from mushroom taking into account diversification in cash crops. The Leader replied that mushroom cultivation could be a good practice from the view point of improving landless people's income aside from goat/sheep raising, therefore it came in this year too but for the purpose of disseminating to other TS areas where it was not experimented before.
6. The SC Chairman referred to small scale irrigation project with a treadle pump by saying that it may rather be better to introduce some rain harvesting technologies to retain scarce water in the CDZ. A SC member also supported by saying pumping may invite saline problem in some parts of CDZ whereby rain harvesting technologies would work better. The Leader replied that we can find out many farms on gentle slopes which have not yet introduced any rain harvesting technologies. In such areas a simple water harvesting technology like counter ridge/planting can and should be introduced, added the Leader. The Team is to try such simple water harvesting technologies through TS MAS officers where possible, and yet would like to try the treadle pump irrigation because there are in fact some perennial streams/ ponds and even shallow groundwater free, or very little extent affected, from saline problems. These areas have potential, the Team believes, to be exploited for irrigation.
7. The SC Chairman referred to '13. Children's nutritional improvement center project', by saying such centre should be multi-purposed rather than single purposed of improving the children's nutrition. If it is erected in such multipurpose usage, the centre can be a venue of disseminating extension services, etc. The Leader replied that the centre could of course be utilized as a dissemination centre, not preventing other purpose usage than supporting nutrition of the under-weight children very often found out in Bago hills area where natural condition is very severe. The Leader added that as the entry point to such poor areas, the Team would like to implement the project but does not limit at all only to the nutrition improvement activities. As long as a development activity including agricultural extension is for the sake of the people, the centre should be utilized to the maximum extent, said the Leader.
8. The Representative of JICA Myanmar office inquired who will draft up the technical manual or be involved in the preparation. The Leader replied that basically the Team is to ask the counterparts though the preparation is certainly a collaborative work, namely, both the team member(s) and CPs go to the field and take photos of all the steps of technology, and then by superimposing the photos what comes out are illustrations. After that, we can put description by step with reference to the illustrations; that is a so-called PD (Process Description) method. The manual will be



prepared in both English and Burmese, the latter of which will be made by having great contribution from the counterparts. The SC Chairman suggested to involve a local consultant to prepare the manual because both the Team members and CPs may be a little too busy for many activities to prepare the manual. The Leader replied that though it is a tedious work, we would like to ask the CPs' participation as much as possible by referring a case of adult learning that is 'adult learns by doing'.

9. A SC member raised an issue against EM by saying the technology is not practically applicable to most of the rural farmers since the original EM, called EM concentrate, cannot be made by farmers themselves, making them dependent on foreign assistance. The Leader replied by referring many cases that MAS officer themselves advocate EM and in fact EM is available in some of MAS TS offices. He then very much stressed that the Team never sticks on just one technology. The basic concept of rural development the Team has been pursuing under this Study is such that wherever applicable the technology should be tried and the one who decides whether or not to introduce such technology should be the farmers. In this context the Team strongly believes that we should provide options out of which the farmers should select and try.
10. A SC member, Director of DAR, inquired what weaknesses would be improved in the project of Paddy Improvement. The Leader gave some ideas inclusive of nursery preparation by using plastic sheet together with charcoaled rice husk now practiced by OISCA, SRI (System of Rice Intensification)-like technology, amongst others. The member and also MAS extension director stressed the SRI technology does not work in this situation of Myanmar except for some areas like Shan, etc. The MAS extension director said since SRI is a low input agriculture technology, it may be able to be tried in some remote areas, however under good condition optimum input agriculture should be pursued. The Leader replied by saying that SRI is in fact a controversial technique; strong advocates and yet strong opponents seen worldwide. However here what the Team would like to try is not exact-SRI technology since the technology can work only under very good condition such as well-controlled irrigation water available, very even field surface, etc. The Leader referred to advanced farmer group in Patheingyi village near Mandalay, who have been achieving well over 100 baskets per acre, sometimes reaching even as much as 150 baskets. What they try is to some extent similar to SRI technique such that; they use 18-22 days seedlings, try 2 number of seedlings transplantation and in a case do a trial of single-seedling transplantation. The Leader added that as far as there is a good practice it could be tried as pilot. He once again stressed that the Team is not sticking just on a specific technology but want to provide opportunities of showing a little new technology, whereby the ones who decide whether or not to introduce should be the farmers.
11. A SC member from MOC asked where the seed money for village revolving fund comes from, and the SC Chairman inquired who will manage the fund. The Leader gave a preliminary idea by saying that the first generation group members are to be given capital equipment/machineries. Then, they are supposed to pay the equal monetary amount, including some interest, back to the revolving fund as a form of

amortization of the equipment/machineries. How much interest rate should be applied is an issue. The Leader gave an idea of linking up the inflation rate of paddy which is the major commodity in this Country, exemplifying that if the inflation of paddy farm gate price was 20% in the last year, the interest can be set at the same rate of 20% by which the amortization can compete inflation. The committee members for the fund should be from the representatives of the village, said the Leader, giving an preliminary idea of VT chairperson, 2-3 of 100 HHs leaders, the cottage group leader, the TS Cooperative Officer, and as may be needed.

12. To achieve our goal in the CDZ for the sake of the population's livelihood improvement, comprehensive and strategic plan shall be adopted taking into account the available resources what we have now, such as proven practices by farmers, technical recommendations with practical and theoretical manner from concerned organizations of Myanmar side, introduced technology by the Study Team, etc., recommended the SC Chairman. The Team and also the floor have all agreed that comment.



Participants List of the Steering Committee Meeting on ITR No.2Chairman

U Tin Htut Oo Director General, Department of Agricultural Planning,
Ministry of Agriculture and Irrigation

Co-Chairman

U Hla Myo General Manager (Extension), Myanmar Agriculture Service,
Ministry of Agriculture and Irrigation

Dr. Pye Tin Managing Director, Myanmar Cotton & Sericulture Enterprise,
Ministry of Agriculture and Irrigation
U Hla Myint Maung Director General, Water Resources and Utilization Department,
Ministry of Agriculture and Irrigation
Daw Tin Swe Aye Director, Cottage Industry Department, Ministry of Cooperatives
U Ko Ko Director, Cooperative Department, Ministry of Cooperatives
Dr. Ohin Kyaw Director, Livestock Breeding and Veterinary Department,
Ministry of Livestock and Fishery

U Hla Tin Director, Department of Agriculture Research,
Ministry of Agriculture and Irrigation

U Hla Gyi General Manager (Distribution), Myanmar Agriculture Service,
Ministry of Agriculture and Irrigation

U Maung Maung Yi General Manager (Planning), Myanmar Agriculture Service,
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Dr. Htun Aung Deputy Director, Livestock Breeding and Veterinary Department,
Ministry of Livestock and Fishery

Daw Khin Nan Myint Assistant General Manager, Myanmar Agriculture Development Bank,
Ministry of Agriculture and Irrigation

Daw Khin Mar Aye Staff Officer, Cooperative Department, Ministry of Cooperatives
U Ye Myint Staff Officer, Irrigation Department,
Ministry of Agriculture and Irrigation

Daw Htay Htay Staff Officer, Department of Agricultural Planning,
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Daw Mo Thida Staff Officer, Myanmar Agriculture Service,
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U Thura Soe National Project Director, Myanmar Agriculture Service,
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Dr. Khin Mg Win Assistant Director, Livestock Breeding and Veterinary Department,
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U Aung Khine Soe Staff Officer, Irrigation Department,
Ministry of Agriculture and Irrigation

JICA Study Team

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Mr. Kensuke Iriya Co-Team Leader/ Livestock Promotion

Dr. Motoyoshi Hikasa Pilot Project Management

Mr. Norio Sakagami Coordinator/ Pilot Project Logistics

JICA Myanmar Office

Ms. Michiko Umezaki Representative of JICA Myanmar Office

Mr. Hiroyuki Okuda Project Formulation Adviser

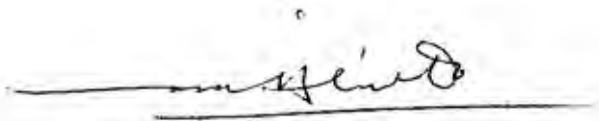
Golden Plain Agricultural Products Cooperative Ltd.

Daw Thein Thein Aung Managing Director

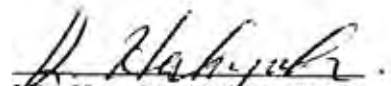
Daw Htwe Htwe Aung Chairman

**MINUTES OF THE MEETING
ON
PROGRESS REPORT NO.3
FOR
THE DEVELOPMENT STUDY
ON SUSTAINABLE AGRICULTURE AND RURAL
DEVELOPMENT FOR POVERTY REDUCTION
PROGRAMME
IN
THE CENTRAL DRY ZONE OF THE UNION OF
MYANMAR**

November 3, 2008



U Tin Htut Oo
Chairman of the Steering Committee
Director General,
Department of Agricultural Planning,
Ministry of Agriculture and Irrigation,
The Union of Myanmar



Mr. Kosei HASHIGUCHI
Leader of the Study Team,
Japan International Cooperation
Agency (JICA),
Japan

INTRODUCTION

Following the Scope of Work (SW) agreed upon between the Preparatory Study Team of the Japan International Cooperation Agency (JICA) and the Government of the Union of Myanmar on 16 November 2005, JICA fielded a Study Team to the Union on June 2, 2008 to commence the FY 2008/09 field study of the Development Study on Sustainable Agriculture and Rural Development for Poverty Reduction Programme in the Central Dry Zone.

The Study Team together with the relevant counterparts has been implementing pilot projects since early June 2007, last financial year, and now they are at almost midpoint of the 2nd stage of the pilot implementation as of November 2008. The Team submitted 20 copies of the Progress Report No.3 to the Ministry of Agriculture and Irrigation. A Steering Committee (SC) was therefore convened to discuss the contents of the Progress Report No.3 inclusive of activities that the Study Team has undertaken to date.

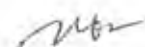
The Steering Committee was held on November 3, 2008 at a conference room of the Headquarters of Ministry of Agriculture and Irrigation. Following self-introduction of the participants, the Director General of the Department of Agricultural Planning, U Tin Htut Oo, who was in the chair made the opening remark by firstly welcoming all the participants, and then thanking JICA for all the collaborative activities rendered.

After the remarks, the Chairman of the Steering Committee requested the Study Team to make the presentation. At first the Team Leader reviewed overall work schedule whereby all the participants could be aware where they were, and then went into the presentation composed of; 1) poverty profile (revised version), 2) pilot projects carried out in 2007/08, 3) pilot projects now being carried out in this financial year 2008/9, and also 4) other issues relevant. The floor was thereafter opened for interactive discussions. The list of the participants in the meeting is attached on the last page hereto.

DISCUSSIONS

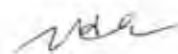
In response to the presentation by the Team Leader, the Steering Committee members have contributed a lot by giving precious comments. Following are the comments given and also answers made by the Study Team:

1. The SC Chairman requested the Team to provide a separate report about Poverty Line, since the poverty line could form a fundamental base in undertaking improvement of the poor, getting the poor out of the situation, etc. The Team replied by saying that they shall provide concise separate report on the Poverty Line by the end of November 2008.
2. In relation to varietal improvement, the Chairman inquired the status of the variety test trial for crops and also stressed that the varietal improvement should be explored not only in the crop areas but also in horticulture sector, fruit sector, livestock sector, etc. The Team replied that given great assistances from the DAR, the Project team composed of relevant counterparts and the JICA Team members has already tried new



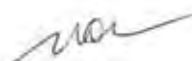
varieties of rainy season crops through relevant TS MAS extension officers. Now the Project team is preparing for winter season crops provided with the new variety seeds by DAR. So far the new variety test trial has been carried out in over 70 plots covering rice, peas and legumes, oil crops, etc. With respect to horticulture, the Team will try good quality seeds of horticulture in the pilot project of Treadle Pump Irrigation during this coming dry season. For fruit promotion such as dragon fruit, castor apple, the Chairman commented the availability of fruit nurseries in MAS fruit farms, e.g. near Poppa, from which the Team procures the good quality fruit and try in nearby pilot villages.

3. As for Livestock varietal improvement, the Chairman suggested upgrading of goat breeds in CDZ. He inquired the floor of how we can manage and practice artificial insemination for goat if it is difficult to import new goat breeds from India etc. He continued that we should study possibility of artificial insemination for goat breeding, the possibility of purchasing of Liquid Nitrogen (LN2) from other Ministries together with portable typed-LN containers. He inquired the possibility of JICA providing the necessary equipments and materials for artificial insemination to improve goat breed in CDZ. In response to this, the counterpart of LBVD and a JICA Study Team member replied that there is an alternative to introduce good quality goats now rearing in the livestock Center at Mingaladon under LBVD, Yangon.
4. The SC has noticed a good chain of value accrued from paddy dryer, together with milling improvement, and also seen market situation in textile as an example under cottage sector where the village producers are exploited by traders. The SC, by admitting the value chain and also market supply chain, requested the Team to further make such exploration not only for such areas but also for other areas e.g. livestock in that villagers may make long-term contract with buyers, agriculture as well. The Team responded by saying that they are to explore the market and supply chain for those areas too, which will be incorporated in the succeeding report.
5. The floor has seen mid-term outcome from semi-SRI alike practice represented by early and sparse transplanting; namely the earlier the seedlings are transplanted, the more tillers we can expect. The SC Chairman requested the Team to present cost analysis, or farm budget analysis, on the technology. The technology may yield higher production but on the other hand it may incur additional production cost such as more payment to rice planter. The Team will present such analysis at the next opportunity, ITR No.3 presentation, including how many baskets of paddy such technology has yielded.
6. The SC raised an issue of interest rate; how much interest rate should be considered in establishing and operating revolving fund being tried under some of pilot projects relevant to cottage sector. The Team replied in 2 ways; in case that the revolving fund is established at the group level due to its small scale size of the project, the beneficiaries are supposed to share a part of their profit with the group revolving fund by paying rental fee for the equipment provided. The share, the payment to the fund,



will have to continue until all the other members will have the equipment. In such case, concept of interest itself does not exist. In case that the revolving fund is established at village level, the share to the fund, or payment to the fund, shall be done based on amortization. In case of Ar La Ka Pa village where they were provided with a tractor, they are suppose to amortize the purchasing cost of the tractor, which may take more than 7 – 8 years. In this case, they should really apply some interest. One of ideas the Team is trying is to link up the interest rate with the inflation rate of rice, the major commodity in this Country. An example is that if rice price has increased by 20% during the last year, they should apply an interest of 20% to the repayment in order to cope with the inflation. As for interest rate which may apply to disbursing the fund to customer villagers in a form of micro credit, they may refer to the interest rate applied by MOC, say 2 % per month, or they may have to apply a little bit higher rate such as 3 % per month but should not be as much as that of private money lenders, 5 - 10% per month.

7. Concerning tractor provided to Ar La Ka Pa village, they may need reaper attached to the tractor and even thresher since the provision of tractor must have implanted the sense of mechanization in the mind of the villagers concerned, said the Chairman. The Team agreed the villagers would not see any difficulties to introduce further mechanization, and mentioned they could purchase such additional machineries as thresher and ripper out of revolving fund they are now establishing by amortizing the tractor cost.
8. While admitting great advantages of mechanization, the SC Chairman inquired the floor by saying how we can create more job opportunities for the landless casual labors who in most cases are the poorest of the poor. Introduction of mechanization must compete with job opportunities of the casual labors. In case of female casual labors, the loss may be absorbed in cottage sector as seen in Ma Gyi Sauk village as an example. However, male casual labors may lose job opportunities in line with the introduction of mechanization, therefore every kind of new job opportunities should be examined and explored, giving an example such as being employed in compost making, rice husk charcoal making, rice husk vinegar making, etc, continued the Chairman. The Chairman further commented that in the long run, land development may employ a lot of casual labors and also construction of proper farm road, farm drainage, and other rural infrastructure would contribute to creating job opportunities for the landless poor. The Team Leader thoroughly agrees such thought and added by referring to a neighbor country's example; that is Thailand. Size of the population is not much different between the two counties, and however farm land in Thailand is as wide as almost 2 times compared with that of Myanmar. If we go to rural areas of Thailand, we can hardly find farm casual labors there but many in this Country. Since farm lands are limited in this Country despite the size of the rural population, one may say it might be an inevitable issue that many landless farm casual labors exist in this Country. Taking into account this situation, the Leader strongly suggested we should enlarge the size of economy. Agriculture sector only can hardly cope with the



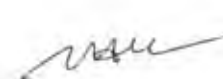
situation but also we should think of enlarging the size of the economy as a whole dealing with not only agriculture sector but also livestock sector, cottage sector, and others wherever possible.

9. The SC Chairman commented that good agricultural practices, GAPs, have been well undertaken in the relevant pilot projects but seem to concentrate only on production sector. GAPs should cover not only production sector but also food safety factor, starting from the land preparation stage up to marketing. The Team will explore the GAPs in such areas as well, and then delivers relevant GAPs to the MAS officers during the training course to come.
10. The Chairman inquired that there should be a booklet or leaflet which are the materials for extension. The Team is now preparing a technical manual with the counterparts and is to present draft form at the next SC opportunity, ITR3 presentation. In addition, the Leader mentioned TS officers, MAS and LBVD officers, have also prepared for their own simple extension materials to be used during their extension and demonstration activities.
11. Deputy Director General of DAR suggested that introduction of Gliricidia, a leguminous fodder tree for animals, is effective not only for improvement of soil but also for source of firewood and animal feeds. Gliricidia is a fodder tree growing faster than Ipil Ipil that JICA provided under FY 2008/9 pilot projects. DAR can provide the JICA Study Team with some nurseries, whereby the Team is to try.
12. A SC member pointed out 3 important issues relative to SRI, or SRI-alike, technology; 1) early transplanting with 1-pant per hill, 2) sparse transplanting, and 3) draining of the paddy field a couple of times during growing stage. He then commented that the No.3, draining of the paddy field, should also be tried in the pilot project. The Team replied that though they disseminated that point to the MAS TS officers, there was a difficulty of draining the paddy field. This is because only few farmers are now practicing such SRI-alike technology while other farmers surrounding the SRI-alike paddy field practice conventional rice growing in that draining of a specific paddy field is impossible since water flows from the neighboring field to the others. The SC Chairman added there is in fact a difficulty of draining paddy field unless there should be good irrigation and drainage facilities.
13. A SC member from Cottage Department mentioned that pilot projects commenced last year undertook many pilot projects in the cottage sector while in this financial year not so much, requesting any possibility of enlarging the pilot projects in the cottage sector. The Leader replied by saying that the Project team should always operate within the limited resources while making a kind of balance amongst relevant sectors such as agriculture, livestock, and cottage/ cooperative. Since the Project had put bigger part of the resources into the cottage sector in the last financial year, pilot projects under agriculture and livestock sectors are now more undertaken in this financial year.
14. A SC member from Cottage Department mentioned there should be a scheme of

micro-finance under this Study as well since the scheme could benefit rural people a lot. The Leader mentioned about difficulty of setting up micro-credit scheme under the Study. The Team cannot disburse any cash directly to the beneficiaries or to any kind of organizations under the scheme of development study. Therefore, instead, the Team provided equipment (in some cases with materials) as capital to the beneficiary groups. Under this arrangement, the beneficiaries themselves can set up their own micro-credit scheme by accumulating revolving fund. In relation to this, the SC Chairman also hinted to provide chemical fertilizer to the farmers with which they can start a kind of micro credit disbursed to buy chemical fertilizers next year by themselves. The Leader said that since there should be another resource allocation to start a new pilot project, this will be delivered to the JICA HQs for their consideration.

15. A member inquired about poverty line in comparison with other countries. The Leader quoted some examples by saying that the overall poverty ratio may be lower than that of western neighbor, Bangladesh, but higher than that of Thailand (In fact, in Thailand, north-eastern part was once surveyed for its establishment of poverty line which was higher than that of CDZ since the area is highly poverty stricken. But overall poverty ratio of the Thailand could be lower). The Leader also quoted a simple example of 1 dollar per adult-equivalent per day as quasi-poverty line often applied in countries where there has not been any systematical baseline survey. This poverty line of 1-dollar per adult-equivalent per day arrives at \$ 365 per annum while the poverty lines in the CDZ are \$ 184 for non-farmer and \$ 208 for farmer. These poverty lines in the CDZ are far lower than that of quasi-poverty line of \$ 365. This implies expenditure on rice in this Country, the major commodity, is still not as big as other countries (this implies almost all the expenses, as a whole, are not as high as other countries as well).
16. A SC member stressed the important role of the crop storage and requested to promote such construction including post harvest technology in more villages. The Leader raised difficulty of carrying out such project in more other villages since the project is operated as pilot. The request will be delivered by being recorded in this MM to the JICA HQs for their consideration.

The SC Chairman thanked all the SC members, the JICA members, and counterparts for their contributions to the meeting, leading us to better results. He further advised the Team not to hesitate to contact concerned ministries at any time for any supports.



Participants List of the Steering Committee Meeting on Progress Report No.3Chairman

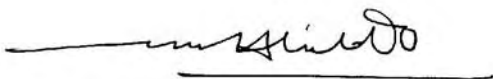
U Tin Htut Oo	Director General, Department of Agricultural Planning, Ministry of Agriculture and Irrigation
U Ohn Than	Managing Director, Myanmar Agriculture Service, Ministry of Agriculture and Irrigation
U John Ba Maw	Deputy Director General, Department of Agricultural Research, Ministry of Agriculture and Irrigation
U Maung Maung Ye	General Manager, Myanmar Agriculture Service, Ministry of Agriculture and Irrigation
U Aye Myint	Director, Irrigation Department, Ministry of Agriculture and Irrigation
U Zaw Win	General Manager, Myanmar Industrial Crop Development Enterprise, Ministry of Agriculture and Irrigation
U Chit Thing	Deputy General Manager, Myanmar Agriculture Development Bank, Ministry of Agriculture and Irrigation
U Aung Myint	Director (Planning), Agricultural Mechanization Department, Ministry of Agriculture and Irrigation
U Htein Lin	Deputy General Manager, Myanmar Agriculture Service, Ministry of Agriculture and Irrigation
U Swe Tint	Deputy Director, Ministry of Cooperative
Daw Myint Myint Win	Deputy Director, Ministry of Cooperative
Daw May Than Chit	Assistant Director, Ministry of Cooperative
Dr. Min Bo Htein	Deputy Director, Livestock Breeding and Veterinary Department Ministry of Livestock and Fishery
U Saw Hlaint	Director, Settlement Land Records Department,
U Tin Wa	Manager, Myanmar Agriculture Service, Ministry of Agriculture and Irrigation
Dr. Tim Ohmmar Win	Deputy Supervisor, Myanmar Agriculture Service, Ministry of Agriculture and Irrigation
Daw Than Than Htay	Assistant Manager, Planning Division, Myanmar Agriculture Service, Ministry of Agriculture and Irrigation
Daw Jenny Loo	Assistant Manager, Planning Division, Myanmar Agriculture Service, Ministry of Agriculture and Irrigation
Daw Myo Thandar Aung	Assistant Programme Officer, Department of Agricultural Planning, Ministry of Agriculture and Irrigation
Daw Htay Htay	Staff Officer, Department of Agricultural Planning, Ministry of Agriculture and Irrigation
U Kyaw Win	Assistant Manager, Myanmar Agricultural Service, Ministry of Agriculture and Irrigation
U Thu Ya Soe	National Project Director, Ministry of Agriculture and Irrigation
Dr. Khin Mg Win	Counterpart of JICA Study Team, Assistant Director, Livestock Breeding and Veterinary Department, Ministry of Livestock and Fishery
Daw Cho Cho Tun	Counterpart of JICA Study Team, Ministry of Cooperative

JICA Study Team

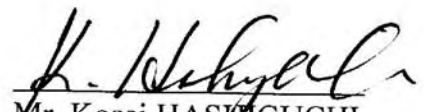
Mr. Kosei Hashiguchi	Team Leader/ Government Service/ Poverty Reduction
Mr. Kensuke Iriya	Co-Team Leader/ Livestock Promotion

**MINUTES OF THE MEETING
ON
INTERIM REPORT NO.3
FOR
THE DEVELOPMENT STUDY
ON SUSTAINABLE AGRICULTURE AND RURAL
DEVELOPMENT FOR POVERTY REDUCTION
PROGRAMME
IN
THE CENTRAL DRY ZONE OF THE UNION OF
MYANMAR**

March 4, 2009



U Tin Htut Oo
Chairman of the Steering Committee
Director General,
Department of Agricultural Planning,
Ministry of Agriculture and Irrigation,
The Union of Myanmar



Mr. Kosei HASHIGUCHI
Leader of the Study Team,
Japan International Cooperation
Agency (JICA),
Japan

INTRODUCTION

Following the Scope of Work (SW) agreed upon between the Preparatory Study Team of the Japan International Cooperation Agency (JICA) and the Government of the Union of Myanmar on 16 November 2005, JICA fielded a Study Team to the Union on June 2, 2008 to commence the FY 2008/09 field study of the Development Study on Sustainable Agriculture and Rural Development for Poverty Reduction Programme in the Central Dry Zone.

The Study Team together with the relevant counterparts has been implementing pilot projects since early June 2007, last financial year, and they are now at an endpoint of the 2nd stage of the pilot implementation as of March 2009. The Team submitted 20 copies of the Interim Report No.3 to the Ministry of Agriculture and Irrigation. A Steering Committee (SC) was therefore convened to discuss the contents of the Interim Report No.3 inclusive of activities that the Study Team has undertaken to date.

The Steering Committee was held on March 4, 2009 at a conference room of the Headquarters of Ministry of Agriculture and Irrigation. Following self-introduction of the participants, the Director General of the Department of Agricultural Planning, U Tin Htut Oo, who was in the chair made the opening speech by firstly welcoming all the participants, and thanking JICA for all the collaborative activities rendered. Then, Mr. Kuraji Kato, chief advisor of Agriculture Extension Human Resource Development Project, made remarks by appreciating all the collaborative works from the concerned ministries.

After the remarks, the Chairman of the Steering Committee requested the Study Team to make the presentation. At first the Team Leader reviewed overall work schedule whereby all the participants could be aware of where they were, and then went into the presentation composed of; 1) development framework, 2) pilot projects commenced in FY 2007/08, 3) pilot projects commenced in this FY 2008/9, and also 4) other issues relevant. The floor was thereafter opened for interactive discussions. The list of the participants in the meeting is attached on the last page hereto:

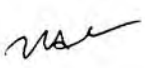
DISCUSSIONS

In response to the presentation by the Team Leader, the Steering Committee members have contributed a lot by giving precious comments. Following are the comments given and also answers made by the Study Team:

1. A participant asked the Team of the difficulties in relation to extension and demonstration by raising why such technologies, e.g., Dapog have not been so disseminated though the extension staff had carried out the extension. The Team Leader replied that a specific technology couldn't be applied to each and every kind of environment. For example, Dapog cannot be applied in flood prone areas because it uses very young seedling, say 12 – 18 days. It can be applied only in paddy fields where water can be well controlled and the land is evenly leveled. In addition, most of the farmers tend to be conservative avoiding of risky technologies. This is why

such technologies have not been quickly extended.

2. A participant suggested that cotton should be mentioned not only in processing sector, e.g. in relation to weaving activity, but also in the production itself in terms of volume. The Leader agreed with the suggestion and further mentioned that cotton can contribute to earning foreign currency by directly exporting it to the world market and also creating job opportunities. He further added that right now the world cotton market is very much influenced by big subsidy in the US whereby lowering international market price, however with change of the regime, it may start fetching good international price. As well, since cotton is mostly used in textile industry, which needs a lot of workers, it can contribute to creating job opportunities. The Leader agreed with the comment from these points of view.
3. A participant mentioned that the Team has been carrying out many pilot projects. From the experiences of the pilot project implementation, what projects/ programmes should be given priority in order to mitigate the poverty in the CDZ. The Leader replied from 2 points of view: He asked the participants to look into the development framework where all the projects/ programmes have been prioritized. The prioritization had been done by participants who came to a series of workshops held in FY 2007/08, inviting as many as over 80 persons composed of village leaders, TS officers, district and divisional officers. Looking at the development framework, we can therefore know which projects/ programmes should be given priority according to the needs of the people on the ground in the CDZ. Another point was remarked from view point of typical character of dry zones. The Leader pointed out the typical character of dry zones is not only the scarceness of the rainfall but also the unexpectedness. Rain in fact falls, but cannot be exactly expected. Rain in dry zones fluctuates in terms of when to fall and where to fall. In this situation, what we should advise the people is to diversify the livelihood, said the Leader. Here, a kind of risk hedged livelihood should be the strategy for the people to make living. In this sense, rather than advising specific activities (projects), we'd better advise to diversify their livelihood, namely not sticking on just one livelihood but doing some supplementary livelihood as well.
4. The participant further inquired what should be done in the next financial year asking any possibilities for additional pilot projects or otherwise just centering on monitoring and evaluation of the pilot projects do far done? He further asked that even if there is a budget limitation, there should be some arrangements to improve those pilot projects which are not in well-operational at moment, e.g. guitar key, multiple layer weaving, etc. The Leader replied that basic activities for the next financial year is to monitor the pilot projects commenced in the last 2 financial years and whereby withdrawing lessons to finalize the master plan. However, the Leader agreed that there should be some arrangements to improve the currently dormant projects.
5. In response to the discussion of above No.4, the SC chairman reminded the participants by saying that we should not think of new activities to include, since, this is not the project yet but the development study and the results (e.g. the master plan,

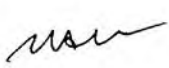


which will be the main output of such a study) will be of distinctive milestone for our country's future development potential. He further continued that we will be judged by many donors on this master plan, because, now, the attitude towards Myanmar by the international governments and non government organizations had been changing a lot, as a consequence of Nargis destruction. Many donors started looking towards the real needs of the country. Hence, the real duty of us, now, is to seriously keep on monitoring and evaluating the activities conducted during the past two years, by JICA Study Team whether they are really beneficial, why and how they can contribute advantages to the poor people of CDZ. The Chairman urged the participants to focus on output/ outcome of the pilot activities thoroughly based on their expertise and apply how we are going to consolidate as master plan and formulation of strategies on how to reduce the poverty in CDZ.

6. A participant stressed how important it is to expand the people's livelihood options in order to cope with poverty in the CDZ. The Leader thoroughly agreed by referring to the need of diversification of the livelihood of the CDZ population. Preparing many options, or in another word, diversifying of the people's livelihood can contribute to establishing a risk hedge on their life.
7. Same participant advised that the study should look for a synergy measure, or effect, even in small community based projects. The Leader explained how the Team has been undertaking measures to realize synergy effect. The Team itself has been looking for any measures to realize synergy effect at project level and also at system level. The measure at the system level is the establishment of village revolving fund. With the village revolving fund established, the villagers concerned can extend the project impact to other, non-direct, beneficiaries, which can be a good synergy effect. By institutionalizing this mechanism of village revolving fund, the Team has been pursuing to make synergy effect happen.
8. The same participant further commented that there should be a project, or programme, to promote an improved shelter (housing) in CDZ. The Leader replied that there should be in fact an improvement for the housing by referring to, e.g. fire. To reduce the risk of fire, there should be an improvement, agreed the Leader. The Leader, however, replied that since housing is a private property, direct intervention, for example by providing a subsidy to improve, is not recommendable and instead probably providing a model house only.
9. A participant commented on the issues of landless people in the CDZ as well as on the issues of agrarian (land) reforms by suggesting that some parts should be reviewed by referring to an official data, e.g. there is an official data concerning farmer household by farm size in the DLRD, MOAI. The Leader requested the participant to point out the parts which need review in writing so that the Team will modify as required. The Leader further stated that the Team will access the official data via counterpart and thereby modify or review the statements of the landless people and also land reforms.
10. A participant pointed out the important role of irrigation in the development of the

CDZ. Faced with land nature, e.g. scarce rainfall, harsh climatic condition, there should be irrigation development where water is available. The Leader replied that the master plan will take care of irrigation development component.

11. Same participants further commented on the important role of agricultural loan to promote agricultural and rural development in the CDZ. The Leader fully agreed the important role in facilitating the people to embark on the development. He replied the loan component will be incorporated in the master plan.
12. A participant commented on the difficulty of extension by referring to high wage of the paddy transplanters. He recommended the use of direct seeding with a help of drum seeder. Given that suggestion, the Leader replied that they would ask MAS TS extension staff to try out such drum seeder in the current pilot project of Improved Paddy Promotion, whereby the Team would examine and present how much cost can be saved.
13. A participant commented that, especially in small scale industries promotion, we have to wait and see what kind of power or strength poor people of CDZ really have got from this pilot project intervention, since it is still too early to judge, for example the case of Tinsmith & Guitar Key in Khaungkawe village. The participant suggested that, in the future plan, it is better to promote agro-base industries in the rural areas, rather than strengthening of production as such above. He further argued that though there was a suggestion by a participant to promote tinsmith wears for pressure cookers, there may be high risk for our people to get competitive market share with Chinese products.
14. The same participant also mentioned about the Myanmar's national level "Rural Development Supporting Committee" chaired by the Minister of MOAI. One of the activities is introducing program for promoting "One Village One product". He stated that if the activities, lessons, achievements of this pilot project could be co-related with above program, it will be of much beneficial for the rural development in the CDZ.
15. Finally the SC Chairman encouraged all the participants by stating that the Project is ours, not JICA's. All of us are responsible to make use of these useful reports and their experiences to develop rural areas and to reduce the poverty in CDZ. Over these three years JICA Study Team may have understood the situation of CDZ, in agriculture, livestock, and social structure and so on, and they have got many experiences through the implementation of the pilot projects. All the participants should provide all inputs and in fact best inputs to develop rural area based on the reports and their experiences. The SC Chairman also commented that the framework JICA Team prepared shows the direction to go sector by sector not only strategies but also specific projects and required costs, which will be useful for rural planners, policy makers, etc. to make plans in order to secure food security, in order to reduce the poverty in CDZ. He further urged the participants that upon completion of the study, we, Myanmar government staff, will be responsible to make efforts to implement various projects



suggested in the reports to do our best.



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