**Myanmar Country Partnership Strategy**

**First Consultation Workshop, 16th May, 2014**

**Nay Pyi Taw, Union Government**

|  |  |  |
| --- | --- | --- |
| **Category** | **Comments from Stakeholders** | **Response** |
| **Substance** | For effective rural development we need to provide farmers with long term, low interest loans. To improve mechanization we need to provide long lease terms and to provide technical assistance. To improve productivity we need to provide technical training, and also need more accurate data collection and dissemination of information. We also need to improve road networks. |  |
| To end poverty for farmers we need technical assistance to develop Good Agricultural Practices (GAP) and we need to invest in high quality seeds and mechanization.  We are developing systematic farm plots to facilitate access of vehicles.  The rules and regulations for the importation of agricultural inputs (seed, fertilizers and equipment) need to be upgraded. We would also like to develop a center to test imported agricultural machinery to determine its suitability for use here.  To help the farmers directly to overcome poverty the yield of the rice and other crops must be increased. Although we have been able to make some improvements to the yield, the quality is not improving and therefore farmers are not getting a good price. Now we are seeking a way to add value that benefits the farmers directly.  We need to improve the information available to farmers.  Farmers need support in regard to selection of crops. Currently we have problems in this regard. These result in surpluses of certain crops, which then cause a drop in the market price and losses for the farmers. We have to control what products they produce. We have to give some instructions as to what kind of crops they should grow.  We also need to provide small loans for farmers. |  |
| To build a social protection system, we need to strengthen cooperation between the Ministry of Relief and Resettlement and the Bank.Now we have a technical working committee for social protection, which includes government ministers and development partners, including the WB. This is helping to build capacity for service provision. |  |
| In regard to universal health coverage, it is important that we develop a systematic way of sharing funds between the rich and poor. Unless we are able to develop a national health insurance system in the near future, it will be very difficult to protect the poor. |  |
| We are currently facing many challenges in the pension reform process. We need technical assistance from the WB. In particular we need to develop and electronic database and effective fund management systems.  In order to end poverty and share prosperity we need  1.to improve agricultural income,  2.to develop job opportunities in the private sector and  3.to invest in social services |  |
| Due to climate change the income of farmers is not stable. We need to develop a system of insurance to protect farmers from these shocks.  Microfinance has a double bottom line in that it creates both commercial and social value. We need technical assistance to develop a balanced system that effectively develops livelihoods for the poor. |  |
| The traditional farming methods are not productive. In order to support mechanization we need to develop a more effective credit system with a means to ensure repayment of loans. Many agricultural systems are based on real estate collateral, however as our Myanmar Economic Bank does not have branches in the villages this is not currently feasible. The banking sector needs technical assistance to provide this type of loan. |  |
|  | As we have not yet been able to get IFC support for Private Sector loans, the interest rates are currently at 13 or 14 %. As foreign companies can get finance at a rate of 3-4 %, it is not possible for Myanmar companies to compete. I have heard that after WW2 when Japan was trying to industrialize, the WB gave a cash loan to the Japan Development Bank, which was then used to provide loans to SMEs. This was a very effective program.  If the WB could provide multi-sectoral support for decentralization and improving the operation of State Enterprises, this would contribute to economic growth. |  |
|  | There are many priority ways to reduce poverty. I would like to discuss the conditions for farmers in the border areas. The conditions there are very different from the rest of the country. There is no peace. The priorities for poverty reduction need to be area specific. Currently IDPs need social protection and job creation. |  |
|  | The most important things to reduce extreme poverty are job creation, vocational training and basic education.  In our country there are different challenges in different areas. The majority of the population is Myanmar but we need to consider the minorities. We should develop a common strategic policy for how to eradicate poverty. One strategy cannot fit for all the minorities. We need technical assistance from the bank to develop a suitable strategy for our country. |  |
|  | There are many agricultural workers in Myanmar. Agricultural development policies often focus on increasing the yield, but we need to consider the appropriate use of fertilizers. In Myanmar farmers are not able to do soil tests and they therefore do not know what kind of fertilizer is needed. Sometimes the soils are damaged by the fertilizer. We need to develop a means to test soil in rural areas and to teach farmers about soil conditions and fertilizer management. |  |
|  | Myanmar is the only country in the world that has not developed appropriate rules and regulations for intellectual property management. We have started work on this but are a long way from achieving our goals, and as a result there are many imitation products. |  |
|  | For the intellectual property office we need to develop the legislation. We are trying to complete this by December. We need to time it properly as there are a lot of steps that we need to go through. We have already chosen a development partner and are currently drafting the rules and regulations. |  |
|  | Climate change is an important issue for farmers and for other sectors. We need technical support to develop capacity to deal with climate change. |  |
|  | When we did the census, we found very poor people living in Chin State, although there are remittances coming to them, l some are very poor. There are 53 types of Chin people. Transportation in Chin State is very bad. I would like to suggest that road construction would be an effective way to reduce poverty. |  |
|  | Mining is important for the Myanmar economy. There are over 2000 mining projects, many of which are very small scale (less than 1 acre). There is a lot of illegal mining in Myanmar. Our administration is very weak and many of these mines are in remote areas. Some of them have a very bad impact on the environment. We need to conduct training in the regions to raise awareness on this issue. The majority of people working in the mining industry are uneducated, and use only their physical energy. There are many accidents and many problems. The most urgent need is to provide vocational training.  We are trying once again to privatize the mining sector in collaboration with NSSA. If the WB could help this would be beneficial for development of mining industry. |  |
|  | As we are now developing Special Economic Zones (to export to the ASEAN community) it is important to develop vocational training. Across all sectors our traditional methods of production are not sufficiently developed for foreign investors.  Although all 18 ministries are developing training schools, we need equipment and to develop the capacity of the teaching staff.  Within the Ministry of Science and Technology the budget that we have for this is insufficient.  We also need to technical assistance to develop SMEs, so that they can compete with foreign investors. |  |
|  | All of the above suggestions are very important but I want to focus on the strategy discussed by Ministry of Transport. There are many things necessary in many sectors, so what we need is a country-wide strategy and to determine who has responsibility for this from each of the various ministries. We need an SME development strategy. We need to consider who is responsible for this and what the timeframe is. We need to develop a strategy for micro-finance. We need a PFM to balance the budget systems.  Since 2012 we have been working on reform of the education and health systems. We are currently studying the diagnostic reports and working on project development.  The Myanmar Public Finance Modernization Project has already been announced. All 8 implementing agencies are currently developing their strategic plans. We need to increase revenue and ensure effective use of funds.  In regard to agricultural development we need to consider other crops in addition to rice as we cannot rely solely on rice for poverty reduction. We need to work on agricultural diversification.  We need to develop a country-wide social protection strategy covering health education and water and sanitation. |  |
| **Process** |  | . |