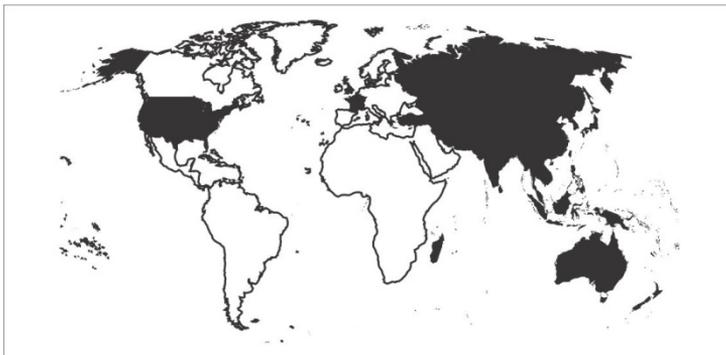




Promoting Participatory Decision-making for Better Policy Design and Implementation for Sustainable Agriculture in Myanmar's Dry Zone

By Thijs Wissink

ESCAP is the regional development arm of the United Nations and serves as the main economic and social development centre for the United Nations in Asia and the Pacific. Its mandate is to foster cooperation between its 53 members and 9 associate members. ESCAP provides the strategic link between global and country-level programmes and issues. It supports governments of countries in the region in consolidating regional positions and advocates regional approaches to meeting the region's unique socioeconomic challenges in a globalizing world. The ESCAP office is located in Bangkok, Thailand. Please visit the ESCAP website at www.unescap.org for further information.



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CAPSA-ESCAP

The Centre for Alleviation of Poverty through Sustainable Agriculture (CAPSA) is a subsidiary body of UNESCAP. It was established as the Regional Coordination Centre for Research and Development of Coarse Grains, Pulses, Roots and Tuber Crops in the Humid Tropics of Asia and the Pacific (CGPRT Centre) in 1981 and was renamed CAPSA in 2004.

Objectives

- Enhanced national capacity for socioeconomic and policy research on sustainable agriculture for poverty reduction and food security
- Enhanced regional coordination and networking to successfully scale up and scale out research findings that have implications for policy design and implementation related to sustainable agriculture and rural development
- Enhanced capacity of policymakers and senior government officials to design and implement policies to achieve rural development, poverty reduction and food security through sustainable agriculture in Asia and the Pacific

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Mention of firm names, commercial products and/or technologies in this report does not imply their endorsement by the LIFT donors or the Secretariat of the United Nations. The report has been prepared through desk research based on collected reports and published information/data from relevant government and non-governmental sources including electronic publications as well as through interviews and site visits to locations in the Dry Zone of Myanmar carried out as part of the consultancy assignment. Preliminary findings were presented for feedback during a workshop on 'Advocacy to promote participatory decision-making for climate-resilient agriculture in Myanmar's Dry Zone' that was held on 29-30 September 2016 in Magway.

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Abbreviations

ADB	Asian Development Bank
ADS	Agricultural Development Strategy
CAPSA	Centre for Alleviation of Poverty through Sustainable Agriculture
CCAFS	Climate Change, Agriculture and Food Security
CCFOL	Committee on Confiscated Farmlands and Other Lands
CCS	Central Cooperative Society
CDD	Community Driven Development
DAR	Department of Agricultural Research
DIWRUM	Department of Irrigation, Water Resources Utilization and Management
DLV	Department of Livestock and Veterinary
DoA	Department of Agriculture
DRD	Department of Rural Development
ERLIP	Enhancing Rural Livelihoods and Incomes Project
ESCAP	Economic and Social Commission for Asia and the Pacific
FD	Forest Department
FSWG	Food Security Working Group
GAD	General Administration Department
GAFSP	Global Agriculture and Food Security Program
HRM	Human Resource Management
IRRI	International Rice Research Institute
LBS	LIFT Baseline Survey
LCG	Land Core Group
LIFT	Livelihoods and Food Security Trust Fund
M&E	Monitoring and Evaluation
MADB	Myanmar Agricultural Development Bank
MCCA	Myanmar Climate Change Alliance
MLFRD	Ministry of Livestock, Fisheries and Rural Development
MMK	Myanmar Kyat
MNPED	Ministry of National Planning and Economic Development

MoAI	Ministry of Agriculture and Irrigation
MoALI	Ministry of Agriculture Livestock and Irrigation
MoC	Ministry of Cooperatives
MoF	Ministry of Finance
MoNREC	Ministry of Natural Resources and Environmental Conservation
MSY	Mya Sein Yaung
NAG	Network Activities Group
NLD	National League for Democracy
NLUP	National Land Use Policy
PFREB	Protection of the Farmer Rights and Enhancement of their Benefits
PM&E	Participatory Monitoring and Evaluation
PRA	Participatory Rural Appraisal
RRA	Rapid rural appraisal
SFRD	Strategic Framework for Rural Development
TA	Township Administrator
TDAC	Township Development Affairs Committee
TDAO	Township Development Affairs Organizations
TDC	Township Development Committees
TDSC	Township Development Support Committees
TMAC	Township Municipal Affairs Committees
UMFCCI	Union of Myanmar Federation of Chambers of Commerce and Industry
UNEP	United Nations Environment Programme
USDP	Union Solidarity and Development Party
VTA	Village Tract Administrators
VTDSC	Village Tract Development Support Committees
WB	World Bank

Foreword

Agriculture is among the most important sources of livelihood in the Central Dry Zone, which is spread over Magway, Mandalay and Sagaing regions of Myanmar. However, the area suffers from many constraints, which limit agricultural productivity and incomes, such as uneven precipitation and water scarcity, inherently poor and fragile soils, inadequate access to quality inputs and restricted access to credit and markets. Climate change is another key challenge which is aggravating the negative impact of the other constraints. This situation has resulted in a high incidence of poverty, food insecurity and malnutrition in the Dry Zone.

Over the past five years, Myanmar has been undergoing a process of reform to move towards democratic governance. The reform processes and the strengthened democratic environment have created opportunities for more participatory decision-making and a bottom-up approach for development planning and implementation. This is especially important for the agriculture sector, which has been suffering from various policy- and programme-related bottlenecks and rigidities that have contributed to low productivity in the sector, as well as low income for farming communities, particularly smallholders. Enhancing the role of different stakeholders, including civil society and NGOs, academia, community-based organizations, private sector and farmer groups, as well as lower-rungs of government, in decision-making and providing adequate platforms for broad-based consultation can better allow ground-level needs and constraints to be recognized and taken into account during policy and programme formulation and execution. Such a participatory approach can enable a more effective, efficient and responsive policy environment, which can support agricultural sustainability and farmer welfare in the Dry Zone.

This paper has been produced by the Centre for Alleviation of Poverty through Sustainable Agriculture under a project supported by the Livelihoods and Food Security Trust Fund (LIFT). We sincerely hope that it will serve as a valuable knowledge resource for practitioners and decision makers in government, civil society and the private sector in Myanmar and support their efforts to promote sustainable and climate-resilient agriculture in the Dry Zone.

December 2016

Masakazu Ichimura

Director

Centre for Alleviation of Poverty through Sustainable Agriculture

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Executive Summary

Introduction

For this policy paper, participatory decision-making is defined as the involvement of stakeholders in decision-making, which can happen to varying degrees. This paper mainly focuses on the involvement of farmers or the public and other stakeholders (in particular, civil society and private sector) in decision-making by the government, as well as the involvement of government employees in decision-making within the government. Participatory decision-making has the potential to greatly improve the quality of the decisions being made and, at the same time, empower those who will be involved in the ground-level implementation of these decisions. Empowerment can significantly increase people's motivation to implement the activities that have been decided upon, leading to a much higher chance of successful implementation. Participatory decision-making within governments is often closely associated with decentralization. It is generally believed that by more widely distributing political power and reducing the distance between communities and public institutions, governments will become more accountable and responsive to community needs, thereby improving the way government expenditure is allocated and revenue is mobilized. Decision-making in Myanmar, however, is traditionally and culturally rather top down.

The main challenges for agriculture in the Dry Zone of Myanmar are climate change, access to finance for farmers, labour availability, access to machinery, knowledge and inputs, and the marketing of agricultural products (including livestock products). Participatory decision-making has clear advantages in the different agroecological zones of Myanmar. In the case of the Dry Zone, participatory decision-making can bring particular benefits, as this area of the country is suffering significantly from the effects of climate change. Successfully adapting to changing circumstances requires all stakeholders to share their knowledge and work together.

Organization and human resource management within the government

Currently, there is inadequate coordination and cooperation between departments within the Ministry of Agriculture, Livestock and Irrigation (MoALI) and with other government entities. Many interministerial coordination committees and commissions set up by the previous government, and which expired automatically at the end of their mandate, have not (yet) been replaced by the new government. The government administration should be modernized to facilitate knowledge-sharing and coordination between government departments and other government entities, and in turn improve the services the government provides to farmers. Most of all, a change in mentality should be fostered, which should make it essential for government staff at all levels to coordinate and, where possible, integrate their work with colleagues in other departments, thus acting as one government. This change of mentality has to come from the top, government staff in higher positions should lead by example. While quality goes above quantity, adequate interministerial committees and commissions should be instated by the government, to support effective coordination within the government. Where feasible and desirable, representative civil-society and private-sector coordination bodies should be included in relevant committees and commissions.

Government entities currently mostly measure their performance through output indicators. Participatory monitoring and evaluation (M&E) tools should be used as alternative ways to measure the impact of government policies and activities.

There is a plethora of different committees with overlapping mandates, especially at the township level. Although they might be coordinating their activities, it is confusing for the public, and leads to many inefficiencies. A comprehensive review of subnational governance arrangements should identify ways to consolidate the number of committees at the subnational level, in particular at township level. Adequate public representation, including women and men from rural areas, should also be a key concern in the review.

In general, human resource management (HRM) practices within the Government of Myanmar are rather top down, although there are early signs of positive change since the new government took office. MoALI should set up a dedicated programme to modernize its HRM practices within the different departments to make them more bottom up, empowering its staff at all levels.

Policy decision-making processes in agricultural governance

Although there are some good examples of public consultation at the national and state/region level, MoALI has limited experience of and capacity to conduct public consultations on new policies and laws. MoALI, the Union Parliament, regional governments in the Dry Zone and regional parliaments in the Dry Zone should adopt public consultation processes for the formulation of policies and laws in collaboration with relevant civil society organizations. Such public consultation processes should include robust capacity-building of relevant government staff and harness experience gained by other government entities and regional parliaments. For MoALI, conducting public consultations on the Agricultural Development Strategy (ADS) would be a good opportunity to gain experience and build capacity for such participatory policy decision-making processes. For the regional governments and parliaments in the Dry Zone, the formulation of regional climate change adaptation strategies and action plans supported by regional public consultations will be very relevant, and a good opportunity to gain experience in public consultation.

Operational decision-making processes in agricultural governance

Agriculture and livestock extension, education, research and inputs: The agricultural and livestock extension system should be reformed in a way that enables it to work with farmers in a participatory way, rather than the current top-down provision of knowledge. The different extension services should also be integrated, and closely linked with research and education services. Through a participatory process, the government should conduct comprehensive reform of the agricultural and livestock extension, research and education system. It should define how its extension services complement and relate to the extension services provided by the private sector, the non-profit sector and other knowledge sources used by farmers. This reformed system should be adequately resourced. Effective vocational education for future farmers should also be provided to enhance farmers' capacity to organize themselves and effectively take part in participatory decision-making processes.

Despite the current government system of seed production and distribution, run by the Department of Agricultural Research (DAR) and the Department of Agriculture (DoA), most farmers cannot access improved seeds. Farmers and the private sector should be involved in the development of new crop varieties in a more systematic way, to make sure

the new varieties address farmers' and market preferences. Through a participatory process, a new model for the effective multiplication and distribution of seeds should be developed, in which the government works together with cooperatives/farmers (organizations) and the private sector.

Marketing of agricultural products, livestock and livestock products: Farmers in the Dry Zone are currently receiving lower prices for their products than is potentially possible, which is caused by the low participation of farmers in group marketing, limited competition among traders, limited price information, low quality of products, regular border closures, perceived lack of free competition between foreign traders and other disadvantageous border arrangements, and damaging local market regulations. Farmers in the Dry Zone should organize themselves into cooperatives to pool their produce and negotiate better prices. Participatory value chain analysis methods should be employed to enhance farmers' awareness on how to improve the quality of their agricultural products. These methods are also useful to address other bottlenecks in the value chain by other stakeholders, including export-related issues by the central government. The permit system for slaughterhouses managed by Township Development Affairs Committee (TDACs), despite having a public majority, is hurting farmers and consumers, and therefore should be abolished.

Irrigation and water utilization: Government irrigation systems are mostly established in a top-down manner, with more focus on quantity than quality. The new government is expected to focus initially on making the existing irrigation systems work properly, before building new ones. Currently, agricultural supervision committees at township level, without farmer representatives, decide on the water flow of government irrigation systems. Farmers grouped in water-user groups can make requests to the agricultural supervision committee about the water flow, although it seems not all farmers using irrigation systems are united in water-user groups. Farmers using irrigation systems should be organized into well-functioning water-user groups. Representatives of water-user groups should also be members of agricultural supervision committees that decide on the water flow of irrigation systems, and have a strong influence on the decisions made in these committees because they are the main stakeholders.

The lifting of the obligation for farmers under government irrigation systems to grow rice is expected to increase interest in government-provided irrigation in the Dry Zone. Decentralization within the Department of Irrigation, Water Resources Utilization and Management (DIWRUM) is also expected to improve services for farmers. Further

decentralization within DIWRUM should be considered where feasible, in order to better respond to local circumstances and needs.

Rural development: The Department of Rural Development (DRD), World Bank (WB) and Asian Development Bank (ADB) village planning activities are promising participatory initiatives to empower rural communities to take their development into their own hands. DRD should continue to try to improve the procedures used to set up sustainable revolving funds as part of its *Mya Sein Yaung* (MSY) programme and allow enough time to prepare village committees to properly manage the funds. Consideration should be given to whether the MSY village committees, once they have become established and are functioning well, could provide a participatory entry point for other government support, in particular in the areas of agriculture, livestock and cooperatives. Consideration should also be given to whether the MSY village committees could expand their mandate and replace existing village governance structures, in order to avoid parallel structures.

Land tenure: The creation by the new government of the Central Committee on Confiscated Farmlands and Other Lands and its subnational committees with public involvement is a good opportunity for participatory resolution of land disputes. Care should be taken to ensure that the mechanism is truly participatory, by including farmer representatives at the national level, setting clear criteria for the selection of public/farmer representatives at the subnational level, and setting clear procedures for the involvement of affected communities in the resolution of land conflicts.

Cooperatives and farmers organizations: Cooperatives can be a useful tool to address the challenges faced by farmers in the Dry Zone. Besides their economic function, they can take up advocacy roles as well. Cooperatives also provide farmers with valuable experience in participatory decision-making processes. However, the current policies and legislative framework for cooperatives are not allowing the creation of sustainable, empowered cooperatives. The current cooperative policies and legislative framework should be reformed in order to support the creation of strong cooperatives, in which farmers can gain valuable experience in participatory decision-making. The Central Cooperative Society (CCS) loan system should be reformed to focus on cooperatives, rather than individual farmers. Farmers should have full control over their cooperatives, and the cooperatives/federations/unions/apex system should be reformed to function in a more bottom-up way.

A notable overlap seems to exist in the efforts of the Department of Cooperatives (DC) to establish cooperatives in every village and the efforts of DRD to establish revolving funds managed by dedicated village committees in many villages. Consideration should be given to whether DC and DRD activities can be integrated at village level.

Farmers' organizations in the Dry Zone, as in other parts of Myanmar, are currently not well organized internally or coordinated. In Magway, an association of farmers' organizations has recently been set up. Strong associations of farmers' organizations are needed to represent farmers in various decision-making committees at all levels. Farmers' organizations in Mandalay and Sagaing regions should also organize themselves into associations of farmers' organizations. At the national level, these regional associations of farmers' organizations should work together in a national-level federation of farmers' organizations. The government should think of ways to support the creation of representative associations of farmers' organizations at regional and national level, without compromising their independence. Initially, this means ensuring that farmers' organizations should be able to easily register themselves officially.

Budget decision-making processes

An increasing amount of the national budget is going to states and regions. Allocations for agriculture, fisheries and forestry combined (the primary sector) were around 5-6 per cent of the total budget during the 2012-13 to 2014-15 fiscal years. It is a welcome development that the agriculture, livestock and rural development committee of the Lower House intends to play a strong role in deciding on the budgetary allocations per department within the budget for MoALI as a whole. In deciding on the division of funds within MoALI, the respective parliamentary committees are advised to consult farmers' organizations, civil society and other stakeholders. In general, it is recommended that the government continues to improve public finance management and transparency, so all stakeholders can engage in public debate on the national budget and regional budgets, including budget allocations within specific policy areas.

Decentralization of budget decision-making processes is work in progress, and needs to be managed carefully. The government should carefully continue the process of decentralization initiated by the previous government, making sure the capacities of regional authorities grow along with their increasing responsibilities.

Participatory budgeting tools should be considered in the Dry Zone as a way to increase the influence of the people and stakeholders on budget decision-making processes handled by government entities and regional parliaments.

1. Introduction

1.1 Participatory decision-making

For this policy paper, participatory decision-making is defined as the involvement of people and stakeholders in decision-making, which can happen to varying degrees. Participatory decision-making can be applied to different situations. This paper will mainly focus on the involvement of farmers or people in general (the public) and stakeholders (in particular civil society and private sector) in decision-making by the government, as well as the involvement of government employees in decision-making within the government.

Participatory decision-making is thought to have the potential to greatly improve the quality of the decisions being made, and at the same time empower those who will be involved in the ground-level implementation of these decisions. Empowerment is thought to significantly increase people's motivation to implement the activities that have been decided upon, with a much higher chance of successful implementation.

The increased quality of decision-making can be explained through sharing of information and synergy. Group decisions take into consideration a wider range of information when each person contributes specific information and knowledge. Synergy is created when a group of people combined come to a better judgement than people individually. By means of discussion, questioning and collaboration, people can come up with stronger and more comprehensive decisions (Boundless Management, 2016). This is especially true if the participatory decision-making takes place at lower levels, closer to the reality, at the grass roots level.

However, participatory decision-making also has disadvantages, which risks the process not being handled properly. A possible disadvantage of participatory decision-making is that it can create a dispersion of responsibility with nobody feeling accountable for the outcomes in the end. Participatory decision-making also risks being less efficient than decisions made by one person or a small group of people, because participatory decision-making can take much longer, due to the time needed for participation, discussion and coordination. Meetings and other processes can get stuck on unimportant details that might be important for one person but not for the others. Another risk for participatory decision-making is 'groupthink', where the desire for harmony or conformity within a group of people leads to an irrational or dysfunctional decision-making outcome. In groupthink,

groups may ignore views held by people outside their group and suppress alternative perspectives in order to minimize conflict within the group. Loyalty to the group can lead people to fail to mention dissenting viewpoints (Boundless Management, 2016). Participatory decision-making thus has significant drawbacks that have to be handled very carefully to be able to gain the potential benefits of participatory decision-making. The most participatory decision-making option is not always automatically the best one. In each specific situation, a careful assessment needs to be made what is suitable and feasible given the available capacities, resources and other circumstances.

Participatory decision-making within governments is often closely associated with decentralization. There are different reasons to aim for decentralization. One often mentioned reason is based on the 'subsidiarity principle', which assumes that allocating responsibilities at the lowest administrative levels possible will lead to more efficient and effective allocation of public resources (Dickenson-Jones *et al.*, 2015). However, decentralization, if not managed properly can also be a source of corruption, if local decisions are left to local government staff without checks. See Box 1.1 for different areas and forms of decentralization.

Box 1.1 Decentralization

Decentralization is the movement of fiscal resources, administrative processes and political authority from the Union or national, government to regional/state governments and lower administrative levels. There are different areas of decision-making in which decentralization can take place:

Administrative decentralization encompasses the distribution of managerial responsibilities among different levels of government or administration.

Political decentralization involves the transfer of decision-making power and accountability to local levels.

Fiscal decentralization describes the process of releasing control over central expenditure and revenue raising authority to lower levels of government.

In addition, decentralization can also take different forms:

Delegation is the shifting of functions to semi- or wholly independent organizations outside the core government sector (for example, to independent authorities or in privatization, to private firms).

Devolution is a situation in which local governments have autonomy over decisions and functions and are usually held accountable for those decisions by local people through elections.

Deconcentration, or vertical decentralization, is the assignment of functions and resources to lower administrative levels of a central organization (typically a ministry), with accountability for these functions still being to the central authority.

Source: Dickenson-Jones *et al.* (2015)

There is a general belief that governments will be more accountable and receptive to the needs of the people if political power is shared between more people and people can more easily access government authorities. This is attractive in theory, but for this to hold true in practice it depends on the availability of sufficient financial resources, government capacity, the authority of respective government authorities and the capacities of other stakeholders (Dickenson-Jones *et al.*, 2015).

In this paper, decision-making has been divided in government policy decision-making, operational decision-making (while implementing the government policies) and budget decision-making. Sometimes the borders between these different forms of decision-making are not clear cut, but the distinction that is being made is thought to still provide a useful analytical framework.

It would be worth clarifying at this point the overall methodology followed for development of this paper. The report has been prepared through desk research based on collected reports and published information/data from relevant government and non-governmental sources including electronic publications as well as through key informant interviews with representatives from different government entities, NGOs, farmer groups and independent experts in Yangon, Nay Pyi Taw and different locations in the Dry Zone of Myanmar. Preliminary findings were also presented for feedback during a workshop on 'Advocacy to promote participatory decision-making for climate-resilient agriculture in Myanmar's Dry Zone' that was held on 29-30 September 2016 in Magway.

1.2 Participatory decision-making in Myanmar

Decision-making in Myanmar is traditionally and culturally rather top down. Although the country witnessed a short period of democracy after it became independent in 1948, from 1962 to 2010 it has been under direct military control, under which dissent was suppressed. The nominally civilian government (but still controlled by the army) that took office in 2010 relaxed media controls and allowed dissenting views. It allowed civil society actors to speak out and criticize government policies. Civil society actors were also consulted by policymakers in ministries and the national parliament on various laws and policies. The military backed government endeavoured to show that it could bring development to the country in partnership with civil society actors willing to cooperate, as well as the private sector. Although this opening up of the government was a major change compared to the situation under direct military rule, the influence of civil society on policymaking was still rather limited. In particular, more moderate civil society organizations

chose to engage with the government through different forums using a reconciliatory tone, while more radical, activist groups were more reluctant to do so and often chose to criticize the government more sharply through the media.

In contrast, the private sector had a strong influence on government decision-making, during the later period of direct military rule. (During the earlier years of military rule, many companies were nationalized as part of wider socialist policies.) However, this mostly concerned a small circle of companies, often with close connections to military leadership. During the period of direct military rule, this influence often meant the consolidation or expansion of (semi-) monopolies, to the detriment of wider private-sector development. During the period of indirect military rule, narrow interests were also perceived to influence decision-making and policies, including within the agricultural sector, most notably in the (hybrid) rice seed sector (Reuters, 2012; DAR, 2016).

The first genuine civilian government since 1962 only took office in March/April 2016, so it is still too early to assess their commitment to allowing stakeholders to take part in the decision-making process. However, there are some reports that decision-making within the Cabinet is top down in some cases, with major decisions often not taken in a participatory way by the whole Cabinet (*Myanmar Times*, 2016c). There is also a perceived risk that the new government may not fully appreciate critical comments from civil society organizations on its actions and policies (Steinberg, 2016). On the positive side, it is rumoured that the State Counsellor clearly instructed ministries to work together. The mandates of many of the interministerial committees and commissions (some with representation of other stakeholders) set up by the previous government were cancelled by the new government (CAPSA and NAG, 2016). The new government seems to be slowly reinstating the (interministerial) committees and commissions that it deems necessary (*Myanmar Times*, 2016d).

1.3 Participatory decision-making in agriculture

Participatory decision-making has been used for agricultural development in many countries as a way to address the complicated problems that agriculture faces all over the world. The problems in agriculture are complicated because they cover technical, environmental, social and economic factors and there are usually multiple stakeholders with sometimes competing interests, spread over extensive geographical areas.

Several specific tools have been developed that provide structured and tested methods for collecting the opinions and knowledge of people in general, or farmers and

other relevant stakeholders specifically. Participatory rural appraisal (PRA) is a collective term for a wide variety of tools that have been used for some decades. It is often mentioned at the same time as rapid rural appraisal (RRA). The main objective of RRA is to quickly collect, analyse and evaluate information and knowledge on the situation in rural areas. While RRA is mainly about obtaining information, PRA is more focused on empowering people to analyse and improve their situation themselves (FAO, 1999). PRA methods can be classified into four groups: Methods for: (1) group and team dynamics (e.g. community workshops, role reversals and feedback sessions); (2) sampling (e.g. transect walks, wealth ranking and social mapping); (3) interviewing and dialogue (e.g. semi-structured interviews, direct observation, focus group discussions); and (4) visualization and diagramming (e.g. Venn diagrams, matrix scoring, timelines, resource maps) (Pretty, 1995, in Cho and Bolland, 2002). Many PRA tools can be found online, but they need to be adjusted to fit the specific local circumstances in which they are to be employed.

Based on PRA techniques, specific tools have also been developed to focus on certain issues related to agriculture, such as food and nutrition security, environment and value chains (participatory value chain analysis or participatory market chain analysis). Participatory monitoring and evaluation (PM&E) is a tool in which stakeholders take up a central role in monitoring or evaluating a particular project, programme or policy (World Bank, 2016). Whereas PRA techniques are mostly used at the grass-roots community level, PM&E and participatory value chain analysis can also be applied at other levels.

Besides the PRA-based techniques, there are many other ways through which agricultural decisions can be made in a more participatory way. For government policy decision-making, it can involve the public and farmers, and other relevant stakeholders, at various levels in the formulation of agricultural policies. This can be through informal and formal ways for the public, farmers and other stakeholders to influence policy formulation by both governments and parliaments. An example of a structured involvement are public consultations for a certain policy, through the organization of public consultations in different parts of the country to collect the voices of the public, aimed at being representative for the different people and situations throughout the country. For operational decision-making, besides the PRA techniques that can be used for implementation at the community level, there are also many formal and informal ways through which the public, farmers, and/or other stakeholders can be involved in decision-making process. The formal ways constitute especially membership of relevant

government committees at various levels that make operational decisions. In the same way, the public, farmers and other stakeholders can be involved at various levels in decisions on budgets to be made available for the implementation of certain policies, and how these budgets are divided between different administrative units.

1.4 Main challenges for agriculture in Myanmar's Dry Zone

The main challenges for agriculture in the Dry Zone of Myanmar are climate change, access to finance for farmers, labour availability and access to machinery, access to knowledge, access to inputs and the marketing of agricultural products (including livestock products). These main challenges will be discussed in separate subsections below.

1.4.1 Climate change

Before the effects of climate change were felt, water was already a critical challenge to agriculture and livestock production in the Dry Zone. On top of that, climate change in the Dry Zone of Myanmar is characterized by shorter monsoons and declining overall amounts of precipitation, increasing temperatures and evaporation, and more erratic rainfall (droughts and flooding). For agriculture, this has resulted in diminishing yields (in particular, rice, sesame and sunflower), reduced fodder availability and decreased livestock health and production. Additionally, occasional heavy rainfall and flooding can harm livestock and damage crops, as well as further erode the soil. All this, in turn, has led to declining incomes from agriculture and livestock, increased migration from rural areas to the cities and abroad, and declining availability of labour (UNDP, 2011; FAO, 2014).

1.4.2 Access to finance

Access to affordable finance is a particular challenge for farmers all over Myanmar, including in the Dry Zone. The use of credit is widespread within the Dry Zone. The LIFT Baseline Survey (LBS) of 2012 found that 83 per cent of the respondents had taken a loan in the last 12 months. However, the cost and use of these loans differed substantially between the different loan sources. Less than 20 per cent of the respondents who borrowed had a loan from the Myanmar Agricultural Development Bank (MADB) and 70 per cent of borrowers had taken loans from moneylenders or shopkeepers, who charge interest rates of 5-10 per cent per month or more (FAO, 2014).

MADB, which is part of the Ministry of Agriculture, Livestock and Irrigation (MoALI), provides low interest loans at 8 per cent per year (previously 5 per cent) for up to 150,000 MMK per acre, (previously 100,000 MMK), but only for farmers who cultivate rice or sugarcane, for a maximum of 10 acres. For other crops, such as sesame, pulses and peas, farmers can borrow only 20,000 MMK per acre (for a maximum of 10 acres), although this is to be increased up to 100,000 MMK per acre (*Myanmar Times*, 2016a, 2016e). The Central Cooperative Society (CCS) linked to the Department of Cooperatives (DC) of MoALI also provides relatively low interest loans at 1.5 per cent per month to farmers through cooperatives (*Myanmar Times*, 2016f). As these sources of finance are often not sufficing for the capital needs of farmers, the money arrives too late, or the period within which the loans have to be paid back are too short, farmers often combine with other loans (*Myanmar Times*, 2016a).

Microfinance institutions (MFIs) are also active in parts of the Dry Zone. They usually charge interest rates around 2.5 per cent per month and the loans can be used more widely than loans from MADB. The LBS found that less than a third of the respondents who borrowed had accessed MFI loans in 2012, which can be explained through the limited coverage of these institutions at the time (FAO, 2014), but the coverage is likely to have increased substantially since 2012.

In many cases loans are not used for productive purposes. Within the group of LBS respondents in the Dry Zone with less than 2 acres, the loans were mainly used to buy food. The use of these expensive loans to meet food needs limits the finances available for productive purposes and also leads to ever-growing indebtedness. In 2012, debt was rising for all income levels (FAO, 2014). MADB and CCS loans to farmers are meant to cover the costs of agricultural inputs, such as fertilizers, pesticides and seeds. These loans usually have to be paid back shortly after harvest, but product prices are usually at their lowest around that time (nearly 90 per cent of all households surveyed as part of the 2012 LBS sold their crop within the first month after harvest; FAO, 2014). And when a harvest fails, for instance due to drought or heavy rain, farmers miss out on the income that is supposed to pay back their loans. The heavy indebtedness of farmers also makes it difficult for them to make more structural investments, including investments needed to adapt to climate change, such as switching to horticulture and agroforestry systems.

1.4.3 Labour availability and access to machinery

Young men, in particular, are migrating to cities and abroad in search of better jobs. This is also stimulated by climate change, as explained in the climate change subsection above. This leaves mostly women and elderly behind to work on the farms. The costs of hiring labourers was estimated to have increased 25-50 per cent over last five years by one respondent of this study. This makes investments in machinery increasingly attractive, but the high costs and the heavy indebtedness of farmers, as explained in the subsection above mean these options are not available for many. Agricultural mechanization is an efficient way to improve crop production and to replace scarce labour, especially given the shorter periods within which certain agricultural activities have to be completed due to climate change (CSAM *et al.*, 2016).

1.4.4 Access to knowledge

Access to the right knowledge is seen as an important impediment to agricultural development in the Dry Zone (as in other parts of Myanmar). Farmers currently have little access to high-quality information that can help them to improve their farming systems and increase their (long-term) profits. The additional challenges posed by climate change mean that farmers in the Dry Zone are especially in need of effective knowledge services, as they have to adapt their farming systems to the changing climatic circumstances, partly by adopting new crops, trees, livestock and/or technologies, with which individual farmers may have limited experience so far.

1.4.5 Access to inputs

Access to physical inputs (besides machinery already discussed above), such as high-quality fertilizers, pesticides and seeds, is another important challenge for farmers in the Dry Zone. The application of fertilizers in the Dry Zone can be classified moderately high (FAO, 2014). Farmers' decisions on what type of fertilizer to use and how much is mostly based on practices of other farmers in their villages. Soils are becoming increasingly exhausted, due to poor soil maintenance, but exacerbated by climate change, resulting in higher (chemical) fertilizer needs and increasing costs to realize the same yields as before. In addition, the quality of chemical fertilizers being sold in Myanmar is questionable, and quality testing of fertilizers (at the point where they are sold to farmers) is very limited (Roelofsen *et al.*, 2015).

Pesticide availability in Myanmar has similar problems, with pesticides being imported illegally and certain retailers selling mixed, fake or illegally repackaged pesticides

(Peeters *et al.*, 2015). Labels are often not in Burmese, so people cannot read any instructions for use (FSWG, 2014). Farmers are often not aware of the characteristics of the pesticides they use. They only get general advice from the retail shops where they buy the pesticides and do not know the spectrum of efficacy and mode of action of the pesticides they use. A big part of the more intensive agricultural practices in Myanmar depends on the use of a broad spectrum of hazardous chemicals for pest, disease and weed control. The use of alternative strategies, such as integrated crop management is limited to only a small minority of farmers (Peeters *et al.*, 2015).

The use of improved seed is very low in the Dry Zone, which limits the genetic potential of the crops sown. Limited access to finance as explained above and the financial risks may be important reasons for that. The limited availability of improved seed is also an important factor (FAO, 2014). The government's system for seed production and distribution is currently not able to meet the requirements of farmers (APCTT *et al.*, 2016).

1.4.6 Quality and marketing of products

The quality and marketing of agricultural products, livestock and livestock products is another major challenge for farmers in the Dry Zone, as in many other parts of Myanmar. Farmers often lack knowledge on how to improve the quality of their products, and lack of mechanisms for price differentiation based on objective quality indicators means that there are no clear incentives for farmers to improve the quality of their products. For instance, some pigeon pea producers in Sagaing region were told by traders that the prices are low because of pesticide residues in their produce, but there are no tests available to determine whether one farmer's harvest actually contains residues and, if so, how much.

In the Dry Zone, most agricultural products, as well as livestock, are sold in the village to visiting buyers or brokers and then traded through local commodity exchanges and township markets, in the case of livestock (FAO, 2014). Most farmers are not organized into cooperatives to pool their products in order to be in a better negotiating position and obtain better prices. This means that traders deal mostly with farmers individually, resulting in high transaction costs and lower prices. There are also regulatory barriers that prevent markets for some products functioning freely and effectively. The most notable of these barriers is the licence system for slaughterhouses, which allocates licences to a limited number of operators per town, for which they have to pay substantive fees to the local Township Development Affairs Committees (TDACs). Obviously, this leads

to market distortion, with depressed prices for farmers and inflated prices for consumers (see subsection 4.2.2).

In addition to the functioning of the domestic markets, the functioning of export markets also poses barriers that lead to lower prices for farmers. For exports to more developed countries, the quality of products is an important barrier. Regulatory barriers apply in varying degrees to exports to all countries. In the case of China, another barrier is that Chinese traders, at least in the melon sector, are perceived to agree prices among themselves to keep prices at artificially low levels. Exports of rice, livestock and meat products are also restricted through government interventions, with regular border closures (NESAC, 2016).

1.5 Relevance of participatory decision-making for sustainable agriculture in Myanmar's Dry Zone

Participatory decision-making can have clear advantages in rural areas all over the world, as well as in the different agroecological zones of Myanmar. In the case of the Dry Zone, participatory decision-making can bring particular benefits; this area of the country is suffering significantly from the effects of climate change, as explained in the previous section. Successfully adapting to changing circumstances requires all stakeholders to share their knowledge and work together. This applies at various levels. At the village level, villagers can come up with joint plans on how to improve their livelihoods, while taking account of the changing climate. At the regional level, regional governments can support the grass-roots level by formulating regional adaptation strategies and action plans through broad consultation with the public, farmers and other relevant stakeholders.

Participatory decision-making at the village level can also be an important preparation for dealing with the other main challenges to agriculture in the Dry Zone that were identified in the previous section. By organizing effective committees at the village level that gain experience in managing some cooperative-like activities, trust can be built between people in these villages. Based on that trust, farmers may choose to work together in other areas, like providing credit for agricultural activities, jointly buying agricultural inputs (including machinery) or joint storage, processing and marketing of agricultural products.

Participatory, decentralized decision-making within the government is important to enable government staff close to the realities at the ground level to feed their local knowledge and local needs into various decision-making processes. If government staff

gain experience with participatory decision-making within the government, they will be also better prepared to manage participatory decision-making processes that are supposed to involve communities and other stakeholders.

2 Organization and Human Resource Management within the Government

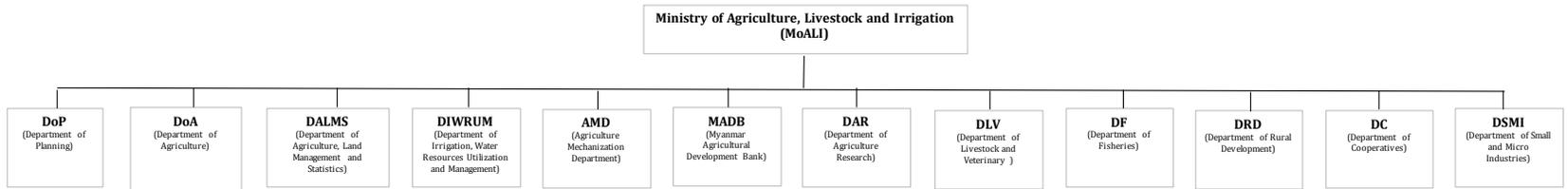
2.1 Organization

The way the government is organized is important for its ability to practise participatory decision-making among its staff within different government entities and at various levels. It is important for its ability to practise participatory decision-making processes that involve communities and other stakeholders. At the national level, MoALI is the most relevant to the scope of this report. Other government ministries are important to lesser degrees as well, but this chapter will only focus MoALI and the subnational level.

2.1.1 Ministry of Agriculture Livestock and Irrigation

MoALI was formed by the new government, by combining the former Ministry of Agriculture and Irrigation (MoAI), Ministry of Livestock, Fisheries and Rural Development (MLFRD) and Ministry of Cooperatives (MoC). Under the previous government, MoAI was generally perceived as the more conservative ministry, while MLFRD was seen as a more reform-minded ministry. This is especially the case for the DRD, which was only established in 2012. The history of cooperatives in Myanmar has generated a largely negative perception of cooperatives (Ferguson, 2013), which obviously also reflected on MoC, as the responsible government entity. However, the popularity of cooperatives (and MoC) has risen in recent years as loans are provided to farmers through cooperatives by the CCS, which is formally part of the Department of Cooperatives (DC). Because the new ministry holds many departments and other entities, it is the only ministry that has a minister, as well as a deputy minister. Figure 2.1 shows the different departments and entities under MoALI.

Figure 2.1 Organization chart of Ministry of Agriculture, Livestock and Irrigation



Source: Based on organization chart of MoALI

As will be described in chapter 4, there are varying degrees of coordination between the different government departments and other government entities at different administrative levels. Traditionally, government departments seem to have a strong 'silo mentality', whereby they focus on their respective activities, while ignoring possible interactions and synergies with the work of other departments. Hence, there is still a lot of scope for improvement. A recent CAPSA and NAG publication (2016) related to climate change in the Dry Zone recommended better cooperation between MoALI and the Ministry of Natural Resources and Environmental Conservation (MoNREC) for better climate change resilience, adaptation and mitigation. At the national level, the new government has cancelled the mandate of a large number of interministerial committees and commissions. Many of these committees and commissions have not been replaced (yet) by other coordination forums. The Sector Working Group on Agriculture and Rural Development (SWG-ARD) still exists as a forum for coordination between the government, international donors, and (I)NGOs. However, only a few (I)NGOs, including Network Activities Group (NAG) and Oxfam, are members of this Working Group, and there are no systematic processes to assemble views of the wider (I)NGO community to feed into the meetings or to share the outcomes of the meetings with the wider (I)NGO community. There is an overlap between the mandate of the SWG-ARD and the national level Consortium of Development Partners (see section 4.4).

Most government department and entities are currently very focused on outputs as a way to measure their performance. However, these usually quantified outputs are often not an effective way to assess the impact of their activities. The government could use participatory M&E tools as a way to assess the impact their activities have on the people that they are meant to serve. In addition, working with participatory M&E tools is expected to increase government awareness of people's needs and how these needs are best served.

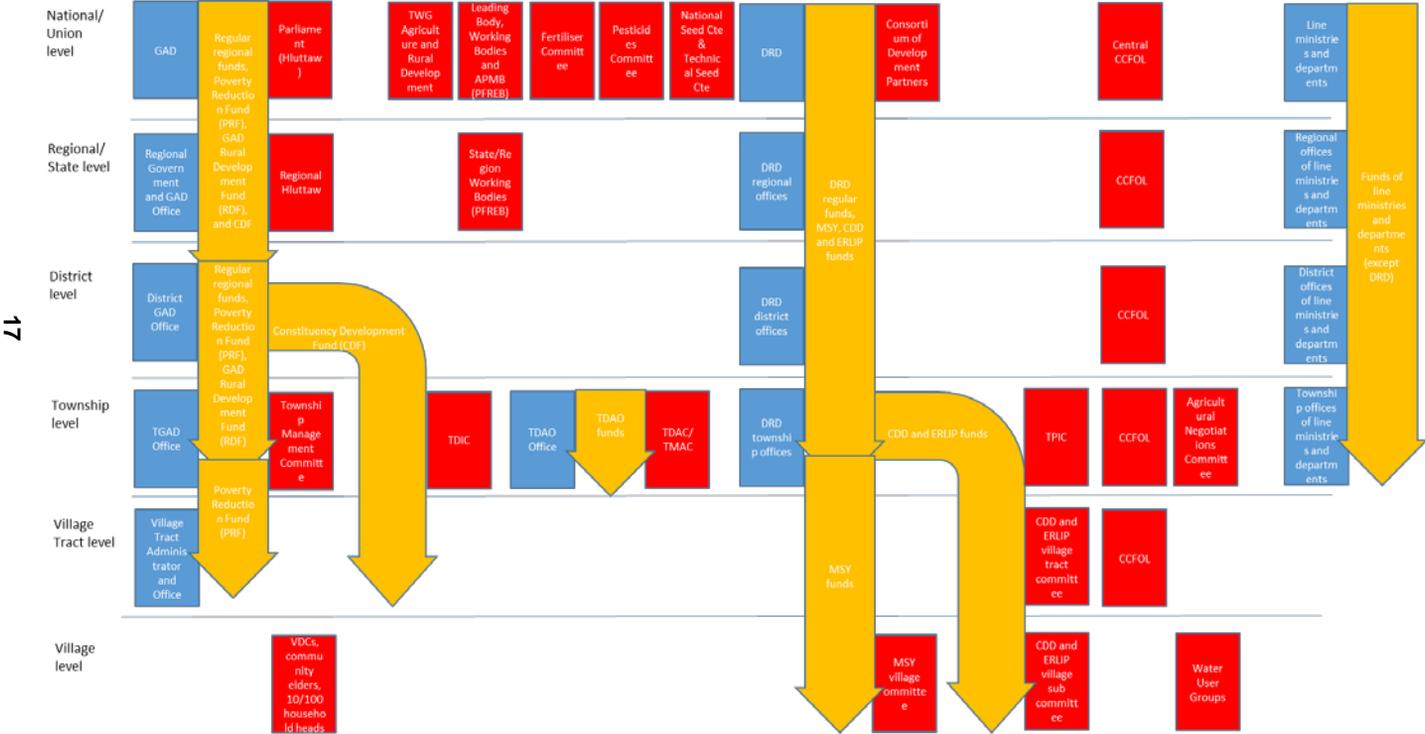
2.1.2 Subnational governance

At the subnational level there are numerous government offices and committees at regional/state level, district level, township level and village tract level. At the village level, there are often Village Development Committees or other village-level committees, but these are not formally part of the government. At the regional/state level, there are the regional governments and regional parliaments. At the district, township and village tract level, there are also government offices that are the main government body at these

respective levels. The national government department responsible for the central structure of these regional/state, district, township and village tract offices is the General Administration Department (GAD), which is part of the Ministry of Home Affairs.¹ In addition, many of the national government departments have offices at the regional/state, district and township level. Departments related to agriculture with a presence at (part of) these levels include the DoA, Department of Livestock and Veterinary (DLV), DC, DRD, DIWRUM (all part of MoALI), and the Forest Department (FD) and Dry Zone Greening Department (both part of MoNREC). In the various committees at the regional/state, district, township level, government staff are represented to coordinate activities and decide on certain issues. There are also committees at regional/state, district, township and village tract level, in which, as well as government staff, citizens are represented. These committees take decisions on various issues, depending on the mandates of the respective committees, including on the allocation of different sources of government funding. Figure 2.2 gives a simplified overview of the main national and subnational-level government offices, relevant committees and the funding streams that they deal with.

¹ The Minister of Home Affairs is appointed by the army, in accordance with Myanmar's constitution.

Figure 2.2 Governance and funding streams at various administrative levels



Notes: 1) Blue boxes represent government offices. 2) Red boxes represent representative bodies, committees or commissions with varying levels of public and stakeholder representation. 3) Yellow arrows represent government funding streams. 4) Contact between boxes and arrows means a large degree of influence or involvement. 5) TDIC consists of both state/region and Union MPs (with one serving as Chair), members of TDSC,² TMAC, DRD and GAD. 6) MSY, CDD and ERLIP village and village tract committees only exist in beneficiary villages and village tracts (see section 6.3.3). 7) Water-user groups only exist in (part of) the areas with (government) irrigation projects and are not necessarily at the village level. 8) TDAO funds are collected at the township level, but actually flow first to the regional level, before flowing back mostly to the townships in which they were collected. 9) DRD is shown separately in the figure, while other departments of MoALI are covered under the general box for 'Line ministries and departments', because DRD has specific funding and committees, especially at the village tract and village level, that required separate representation

Source: Various sources, including Arnold *et al.* (2015) and Robertson *et al.* (2015).

Although Figure 2.2 aims to provide a general representation of national and subnational-level governance from the perspective of agriculture, the exact situation often differs among regions, districts, townships, village tracts and villages. Additional committees have been set up by relevant government entities at different administrative levels for various purposes.

As is clear from the figure, most of the funding streams come from the national level, with the notable exception of the funds collected and managed by the Township Development Affairs Office and Committee. The mandate of the Township Development Affairs Organizations (TDAOs or municipal office) and Committees (TDACs, '*si-bin tha-ya-ye apwe*', or Township Municipal Affairs Committees (TMACs)) is focused on the urban areas within a township, but can indirectly also have an important impact on rural areas, as will be explained in chapter 4. TDAOs and TDACs are also unique in the sense that they are not formally part of the GAD (or any other national government department). As the only local government office overseen by a local committee whose members are elected by the community and that is mandated to take decisions, tensions have arisen among civil servants and the people they are meant to serve. Nonetheless, TDACs may serve as an example of how the public can participate more in local decision-making processes and improve the broken relationship between the government and citizens in Myanmar. The mandate of the Township Development Committees (TDCs) is more focused on rural areas. Given the many different government offices at the township level and the multitude of committees and local development funds (LDFs), proper coordination between the

² TDSCs and VTDSCs have been abolished by the new government. It is not known how that has impacted the composition of TDICs

different government offices and committees is an important and difficult task (Arnold *et al.*, 2015).

As mentioned above, the public is represented in some of the committees, in various ways and to varying degrees. In Annex I, the composition of a number of relevant committees is listed. The way in which public representatives are selected varies among committees, and the public members of a certain committee are not always selected in the same way in each region, district, township or village tract. For instance, public representatives on township-level committees are often selected by government staff, while Village Tract Administrators (VTAs) were elected during the latest elections in January 2016 by and from the 10 household leaders (Kyed *et al.*, 2016).³ The share of public representatives on a committee, the way in which they are selected, and the means they or the committee has to consult with communities, all impact the degree of participation people have in the decisions that are relevant for them. The Township Development Support Committees (TDSC) and Village Tract Development Support Committees (VTDSC) that were set up by the previous government, were abolished under the new government. These committees had a substantial share of public representatives, but there was a perception that these public representatives had not been selected appropriately.

VTAs, who are also members of the TDC, are in a vital position as the main interface between the people and the government. So far, there is no official mechanism for township-level committees, such as TDACs, to consult on a regular basis with citizens and there are practical barriers for public members of these committees to do this. Another reason why people more often turn to VTAs for anything related to the government is because there is little awareness about the different committees at township level (and above) and their respective mandates (UNDP, 2015).

Under the previous government, the regional-level government offices were subject to a top-down appointment process, and regional ministers had little control over these offices, which reduced the effectiveness of the regional governments. State and region budgets were small and they were formulated in a manner that underpinned control from the central level (Nixon *et al.*, 2015). It is not known whether the new government has made substantial changes in this area, so it is possible the situation has not changed. Under the previous government, and probably still the case now, there was a confusing relationship among regional offices of government departments, their respective national-

³ 10 household leaders/heads are each elected among a group of 10 households.

level ministries and the regional governments. As HRM is still being managed by their respective national level ministry and the national civil service organizations, the status of the staff of these regional offices is also unclear. These regional offices also do not exactly match the competence areas of the regional ministers. Hence, it seems that the regional ministers have their own ministries. GAD is responsible for the administrative office of regional governments, and thus regional governments are dependent on GAD for their own functioning. Many departments have also not been formally decentralized, but some of these ministries have initiated reforms to give more authority to their state and region offices (Nixon *et al.*, 2015). The regional chief ministers are appointed by the President.

2.2 Human resource management

Human resource management (HRM) within the government is important for participatory decision-making, because the way in which civil servants interact with each other has an important effect on the way they interact with citizens. If civil servants get used to more participatory decision-making practices within their respective government offices, it will be easier for them to implement participatory decision-making practices in their work with the people. In addition, increasing participatory decision-making practices within the government has the advantage of making better use of employee knowledge, making employees feel more empowered and motivated.

HRM within the Myanmar government is generally rather top down, in line with the traditional governance practices of the country, although there are significant differences between different ministries and departments. These top-down management practices often limit personal initiative, with many civil servants waiting for instructions from higher up before initiating action. The working culture in which many civil servants prefer to avoid asking their superiors questions, contributes to situations where laws are not correctly applied at the local level, and where government decisions and actions suffer long delays.

As explained in the previous section, MoALI is the product of a merger between three ministries. The general perceptions of the different departments are very much linked to the HRM practices in those departments. Again, DRD is perceived as the most modern department within MoALI, where there is more space for employees to take initiative, and to ask questions and give inputs to superiors. This may also be related to the fact that DRD was only established in 2012 and, as a consequence, its employees, including those in management positions, are relatively young.

Some of the civil servants that were interviewed at the subnational level indicated that they already felt differences in terms of HRM under the new government. Generally, it was perceived that the new government is introducing a more bottom-up approach, also in terms of HRM. This was generally welcomed by the respective correspondents.

3 Policy Decision-making Processes in Agricultural Governance

3.1 Solidarity and Development Party government 2011-2016

As explained in the introduction, Myanmar has been governed for a long time by military governments. During the last period of direct military control a limited circle of well-connected business men were often perceived to have had strong influence on policy and operational decision-making for their businesses' benefit, at the expense of competition and broader private-sector and agricultural development (*Mizzima*, 2015). During the period of direct military rule, the policy decision-making process was very secretive, and there was very little space for civil society to influence the policy decision-making processes. Farmers were actively prevented from organizing themselves into farmers' organizations, especially after the failed 1988 democratic uprising.

Under the quasi-military government from 2011 to March 2016 the suppression of dissent was relaxed, and the government and parliament were more open to (genuine⁴) civil society representatives and other stakeholders. However, there were marked differences between different ministries and policy areas. The situation also evolved during the period of tenure of the Thein Sein government. At first, many civil society organizations were rather hesitant to engage with the quasi-military government, distrusting their motives. Generally, a pattern emerged where more pragmatic, reconciliatory people and organizations decided to engage with the government, whereas the more activist, uncompromising people and organizations at first refused to engage, but gradually joined the process too, although not all of them and to varying extents. Compared to civil society, the private sector is relatively well organized through various trade associations, most of which are also members of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), although in some quarters UMFCCI was perceived as leaning towards the limited interests of certain companies (*Irrawady*, 2015, 2016b).

In the area of land tenure, the Thein Sein government at first proposed the Farmland Law and the Vacant, Fallow and Virgin Land Management Law, which were

⁴ There are also 'CSOs' that were very closely aligned with the previous government (*Irrawady*, 2016)

swiftly adopted by the Solidarity and Development Party (USDP) dominated⁵ parliament in 2012, with very little civil society consultation. The Vacant, Fallow and Virgin Land Management Law formalized the 1991 Wasteland Instructions by legalizing government allocation of large areas of land, by lease or sale, to companies for large-scale agricultural investments. Ownership of (part of) these lands was often claimed by small farmers (LCG, 2012). However, the government later launched the formulation process of a National Land Use Policy (NLUP), through an interministerial committee called the Land Utilization and Allocation Scrutinizing Committee, subsequently the National Land Resource Management Central Committee, chaired by the FD of MoECaF. As part of the formulation process, 92 public consultation meetings were held throughout the country, including 17 organized by the government itself in all states (including separate meetings in Shan States North, South and East) and regions on the draft version of the NLUP. Many of the more activist CSOs that were engaged in defending the rights of poor people whose lands had been taken for various purposes by the government, at first did not want to engage. However, later on, a significant number of them decided to join the process. The whole policy formulation and public consultation process was difficult, due to vested interests and deep-rooted distrust of the government. The public consultation process that followed is also seen as far from perfect, mainly due to limited coverage of the public consultations, which were only conducted at state/region level. The NLUP was finally officially adopted by the previous government in January 2016.

The Strategic Framework for Rural Development (SFRD) was initiated in 2013 by the DRD of the then MLFRD. Civil society actors and other stakeholders were involved in the formulation process. A series of consultations were conducted with development partners, including donors, INGOs, NGOs and CSOs in Yangon and Nay Pyi Taw. As part of these consultations, the draft documents were shared with the development partners involved for their review and inputs. The main limitation of the process was that no public consultations were conducted.

The Protection of the Farmer Rights and Enhancement of their Benefits (PFREB) Law was proposed by the then MoAI to parliament, which adopted it on 8 October 2013. Later, on 19 November 2014, the amending law for the PFREB was enacted. Only a few clauses were revised in this amendment, but a significant change is that the Leading Body is now to be made up of organizations and individuals from organizations that represent

⁵ The USDP has very close links to the military.

farmers, in addition to national level government officials. The Food Security Working Group (FSWG) (a network of national and international NGOs working on food security, agriculture and rural development) advocated substantial changes to the draft law, but only limited changes were made. When the bylaws of the Farmer Protection and Welfare Enhancement Act were discussed in parliament at the end of 2014, FSWG conducted public consultations in Northern Shan state, Southern Shan state, Ayeerawaddy region, Magway region, Bago East region, Bago West region, Sagaing region, Chin state, Kachin state and Yangon region between 14 and 28 January 2015. The joint results of those consultations were sent to the agriculture, livestock and fisheries development committee of the Lower House of Parliament (Pyithu Hluttaw), but again only limited changes were made to the bylaws before they were adopted on 2 April 2015. MoAI also submitted drafts of the (amended) Pesticide Law, Seed Law and Fertiliser Law to parliament. The Seed Law was adopted on 18 February 2015, the Fertiliser Law was adopted 23 March 2015 and the Pesticide Law was adopted on 20 January 2016. Little or no public consultation was held for these laws, and civil society also had very little influence.

MoAI published the Myanmar Climate-Smart Agriculture Strategy in September 2015, with support from CGIAR's Research Program on Climate Change, Agriculture and Food Security (CCAFS) and the International Rice Research Institute (IRRI). The document states that it is based on a consultation in 2013, but the degree of civil society involvement seems to be limited. The document is perceived to have too much focus on rice, as did the previous MoAI as an institution (MoALI, 2016a), and consequently the strategy presented has deficiencies as a countrywide strategy, because rice is not the (only) main agricultural product across large parts of the country and, in the Dry Zone, rice production is increasingly less attractive in given the impacts of climate change.

Myanmar's National Adaptation Programme of Action to Climate Change was developed by the National Environmental Conservation Committee of MoECaF, the Department of Meteorology and Hydrology of the Ministry of Transport and the United Nations Environment Programme (UNEP). The Sectoral Working Groups, including one on agriculture, were dominated by government staff, although some other Sectoral Working Groups also contained civil society and private-sector representatives. The document states that stakeholder and public consultations were held to establish Myanmar's adaptation needs and potential adaptation projects/options between July and September 2011, and that a public review process of the draft document took place between February and April 2012. However, it is not known how participatory these consultations really were.

The Myanmar Climate Change Alliance (MCCA) has recently finalized the Myanmar Climate Change Strategy and Action Plan 2016-2030, which is meant to lead the way for climate adaptation. The strategy and action plan were prepared in close collaboration with MoNREC. The MCCA says it has worked closely with the government to hold workshops and consultations with 20 ministries, civil society groups, the private sector and communities already affected by climate change (*Myanmar Times*, 2016h).

At the state and regional level, in Rakhine state, the Rakhine Fisheries Partnership, a group of government, civil society actors and international organizations, organized a series of public consultations on the Rakhine State Freshwater Fisheries Law, in close collaboration with the Rakhine regional parliament. During the process, substantial changes were made to the draft law; it is widely perceived as a law with genuine public participation, and thus strong public ownership. The Rakhine State Fisheries Law was formally adopted in August 2014 by the Rakhine State Parliament. The partnership still exists and also supports the implementation of the law.

Similar participatory policymaking processes have not yet taken place in Magway, Mandalay or Sagaing regions. However, NAG performed a social audit in Magway region as part of its EU-funded project there, as part of this social audit the government's services were assessed during multi-stakeholder meetings.

3.2 NLD government 2016-present

The Agriculture, Livestock and Rural Development Committee seems eager to work with all relevant stakeholders, and has recently organized a major consultation meeting with civil society and international organizations. It is planning to review around 22 laws, but there are no indications that they are planning to conduct large-scale public consultations for all these laws to be reviewed. There are also no indications that MoALI is planning to organize any large-scale public consultations for the review of existing legislation or new legislation in its area of competence. One respondent argued that MoALI currently also does not have the capacity to satisfactorily conduct such a process. It would require significant capacity-building within the ministry, including on communication with various stakeholders, farmers and the press. With regard to the gaps in capacity and commitment to consult with stakeholders and farmers on the ground, a case in point is the process for formulation of MoALI's proposal for the Global Agriculture and Food Security Program (GAFSP) and the ADS, which is a requirement for GAFSP applications by

governments. The limited consultations with (I)NGOs (also due to time constraints) appear to have been initiated by the international organizations that assist MoALI in the formulation process (ADB, FAO and LIFT), rather than by the ministry. Stakeholder consultations only took place at the national level, and not in the Dry Zone, on which the GAFSP proposal focuses. The ADS was submitted as a draft along with the GAFSP proposal before the deadline of early January 2017, which allows wider and/or public consultations on this document before it is finalized. MoALI indicated that it will conduct public consultations at the state and region level, while CSOs have called for public consultations up to district level. Earlier in 2016, MoALI also developed its Second Short Term Five Year Agriculture Policies and Plans, which were formulated with limited consultation outside of government. In August 2016, the Seed Policy was adopted by the new government. The document states relevant public and private stakeholders were involved in the formulation process. However, given the problems with representation of farmers (see section 4.6), the degree to which farmers were meaningfully involved in the formulation of the policy is not known.

In a recent development with uncertain implications, the Commission for the Assessment of Legal Affairs and Special Issues of parliament called for the overhaul of the NLUP, which is the product of a long and difficult process of public consultations (*Myanmar Times*, 2016j).

At the regional level in Magway region, the Agriculture, Livestock and Rural Development Committee of the regional parliament has not organized public hearings or consultations on relevant issues. One respondent argued that this might be due to caution among NLD lawmakers and ministers at national and regional level in conducting significant activities that are not authorized by the leadership of the party (*Myanmar Times*, 2016g). NAG intends to facilitate the formulation of publicly consulted regional climate change adaptation strategies and action plans in Magway, Mandalay and Sagaing regions. Under the new regional government, there might be more initiatives to formulate regional laws in areas where they have competence. According to Schedule Two of the Myanmar Constitution there are eight specific topics in which “the Region or State *hluttaw* shall have the right to enact laws”. Agriculture and livestock breeding is one of these topics, but irrigation, rural development and fisheries are not. Theoretically, therefore, agriculture and livestock are topics in which state and region governments can enact laws, though irrigation, rural development and fisheries are to be directly controlled by MoALI at the national level (FAO, 2014).

4 Operational Decision-making Processes in Agricultural Governance

4.1 Agriculture and livestock extension, education, research and inputs

Government-provided agriculture and livestock extension, education and research should work closely together as an integrated system, so that the supply of knowledge through education and research responds to the actual demands of farmers. Government extension officers are the main interface of that system with farmers. Rather than telling farmers what to do in a top-down way, they need to carefully listen and analyse the requirements of farmers, which are very area specific and, based on this, provide the information that is actually needed. Better still would be if the information is not 'provided', but generated and shared by farmers themselves, for example in farmer field schools. Farmers are much more likely to adopt a novel technology if they see a colleague successfully applying that technology, compared to a non-farmer telling them what they should do. Agricultural extension, education and research, therefore is an area where participatory decision-making is very important. It is also closely linked to agricultural and livestock inputs, such as seeds, fertilizers, pesticides, vaccines and breeding services; therefore, they are discussed together in this section.

The agricultural and livestock extension, education and research system of Myanmar currently has serious flaws. The links between the three components are weak (Cho and Boland, 2003; IFAD, 2014; AFC Consultants International, 2015). Given the wide range of agroecological zones and corresponding farming systems, a genuine decentralization process in agricultural and livestock education, research and, in particular, extension is needed (AFC Consultants International, 2015). Agricultural extension services in Myanmar have always been centrally controlled. Farmers and lower-level extension staff are not acknowledged as partners, but rather as executors of decisions taken by higher levels in government. The current situation does not allow for bottom-up decision-making and consequently, leaves little space for participation by farmers and lower-level extension staff (Cho and Boland, 2003), although some signals of improvements under the new government were noticed during interviews. The government itself still plans its extension activities, with little involvement of farmers, so farmers' extension needs are not taken into

consideration (Cho, 2013; IFAD, 2014). Extension services are focused mostly on maximizing production, rather than maximizing farmers' profits (in the context of the constraints that farmers face). In addition, the agricultural and livestock extension, education and research system is heavily underresourced, given the scale of the needs faced (IFAD, 2014; AFC Consultants International, 2015). Given these factors, and in line with a general distrust towards the government, many farmers do not receive agricultural and livestock extension services from the government, and many also do not have much faith in their services.

The private sector, civil society and international organizations also play an important role in providing extension services to farmers. Additionally, there are other sources of information that farmers use to improve their practices, including radio, television, printed materials, peer learning and, more recently, mobile applications. The extension services of the private sector are currently mostly linked to the sale of pesticides and fertilizers, which are often criticized for advising farmers to use more of their products than is actually needed without detailed advice on how to use these products. General knowledge among farmers on the responsible and effective use of fertilizers and pesticides is deemed very low. Some non-profit actors advise farmers to limit the use of inputs, or help them to organize into groups to be able to buy inputs at lower prices. However, non-profit actors are only active in selected parts of the country. The government should be better aware of these emerging trends and regulate extension services provided by companies and/or NGOs if needed (AFC Consultants International, 2015). There should be better cooperation between public, private and non-profit sectors in the provision of extension services to farmers (Cho, 2013)

As well as the DoA, which is responsible for agricultural extension, the DLV also have a presence at township level, providing livestock-related extension services. DLV's extension services are focused on animal health, including the supply of vaccinations and animal breeding. Due to the institutional separation between agricultural and livestock extension services, neither department feels responsible for fodder production for livestock (AFC Consultants International, 2015), which is an example of lack of coordination between different government departments.

In terms of agricultural and livestock education, major investments and reforms are needed at all levels, very much in line with the general reforms needed in Myanmar's education system. At all levels, there is an urgent need for more and better qualified people to enable the government, the private sector and the non-profit sector to address the grand

challenges and opportunities of Myanmar's agricultural sector (Aeres groep, 2014). At the university level, major reforms are needed to better prepare students for the tasks at hand, including in agricultural research. The curriculum of the state agricultural institutes at the diploma level, where many of the government's agricultural extension officers are educated, currently does not prepare them adequately for their future tasks, including participatory approaches. There is currently no lower-level vocational training for future farmers (Aeres groep, 2014).

The financial resources spent on agricultural research (including livestock) in Myanmar are at a very low level compared to other countries, given the size of the country and the relative importance of the agricultural sector in Myanmar. The average capacities of agricultural researchers are also deemed low (Stads *et al.*, 2007). Limited livestock-related research is conducted by DLV, but it is not known to what degree farmers and other stakeholders are involved. A big part of the government agricultural research is focused on the development of seed varieties of certain crops, including rice, oilseeds and legumes. Contact farmers living close to DAR research stations who cultivate new varieties for DAR are being asked about their experiences with the new varieties. The market demands are said to be taken into account as well, through informal contacts and information gathering. However, there seems to be no more systematic, geographically spread involvement of farmers in varietal selection and formal platforms where farmers, private sector and other stakeholders could provide inputs to the seed development programme are lacking. At the national level, the Seed Law of 2011 (and amended in 2015) provides for the establishment of a National Seed Committee, whose members can be government representatives, organizations or experts and other suitable persons. In addition, a Technical Seed Committee (appointed by the National Seed Committee) can also have members from other organizations and private enterprises. However, currently, the National Seed Committee and the Technical Seed Committee only have government staff, mostly from the various entities under MoALI, including Yezin Agricultural University, as members (APCTT *et al.*, 2016). Despite the work of DAR on the development of plant varieties, and DoA's responsibility for multiplying and distributing these seeds, an often-heard complaint on agricultural development in Myanmar is the limited availability of quality seeds to farmers. It is also often suggested that the government needs to work more closely with the private sector, civil society and farmers to develop an effective model for the multiplication and distribution of quality seeds. A recent APCTT report (2016) concluded that in order to develop seed value chains in Myanmar, a move is required from the current top-down

approach to a bottom-up mode of operation with the active participation of farmers. The seed policy that was adopted in August 2016 stresses the role the private sector should play in making enough certified seeds available to farmers. It also mentions that technical support should be provided to farmers who multiply seeds under contract for seeds companies.

It is thought that national-level committees created by the PFREB Law, the Fertilizer Law and the Pesticides Law consist of only government staff, or are complemented with representatives of organizations seen as close to the previous government. The Fertilizer Committee is said to meet only once or twice per year. Because of this, obtaining or renewing licences can be a slow and difficult process that may stimulate illegal trade (Tun *et al.*, 2015).

MoALI's efforts to develop agricultural mechanization do not fully follow the market needs and are not currently well aligned with long-term sustainable development. The development of small-scale mechanization in the Dry Zone should be prioritized, in accordance with market demands (CSAM *et al.*, 2016). Overall, in the area of agricultural mechanization, there is need for adequate consultation with small-scale farmers and needs assessments.

4.2 Marketing of agricultural products, livestock and livestock products

4.2.1 Marketing of agricultural products

Many farmers, as well as other stakeholders, feel that farmers are not getting a fair price for the agricultural products they sell, meaning that there is a big gap between the price that farmers receive for their products and the price that consumers pay. General underlying causes are the fact that farmers in Myanmar are generally not well organized into cooperatives that sell the products of their members. In 2012, only 10 per cent of the farmers in the Dry Zone were participating in group marketing activities (LIFT Baseline Survey 2012, cited in FAO, 2014). As a consequence, traders have to deal individually with each farmer, who often lives in remote areas with high transport costs, meaning high transaction costs for the traders, which they have to earn back through the price margins they make on the products. To address this problem, farmers are increasingly organizing themselves into cooperatives, partly encouraged by non-profit organizations and the government. (As will be explained in the section on cooperatives and farmers

organizations, cooperatives can be a good instrument for advocacy efforts by farmers, and hence more participatory decision-making.)

Another cause for the low prices received by farmers is the limited competition between traders and limited market information available to farmers. Limited competition in turn is partly caused by general barriers that make it difficult for people to set up businesses in Myanmar (Wissink *et al.*, 2016). The availability of market information, in fact, has already improved substantially over recent years with the wider availability of mobile telephone services, so farmers can easily make calls to get up-to-date market prices. In addition, mobile applications with market information are also slowly emerging. Farmers can access certain market information through other sources, such as newspapers, radio and television. If farmers are better informed about market prices and other market aspects, they will be better able to defend their interests in the respective value chains.

Other reasons for the perceived low prices received by farmers are linked to the relatively low prices that traders can get for their products. The quality of agricultural products determines to a large extent the price that it can fetch at different stages of the value chain. The different players along the value chain all have a role to play in maximizing the quality of the product. For instance, farmers producing sesame have to apply pesticides responsibly during the production process to prevent pesticide residues ending up in the product. Once the sesame stems have been cut, they should be dried and threshed quickly to make sure the quality does not deteriorate due to moisture. Low quality is indicated by the pH value of oil extracted from the sesame. Traders in turn have to store and process the product in a way that responds to the demands of their customers. Currently, traders deal mostly with farmers individually, and they often lack the means to differentiate the price they pay based on objective quality indicators. For instance, there are no tests available that can easily measure the presence and quantity of pesticides in sesame. If farmers were paid based on objective quality indicators that would provide a strong incentive to improve the quality of their products and receive a better price. Another way to raise awareness on quality issues among farmers would be participatory value chain analyses, where different value chain actors jointly discuss the bottlenecks at different levels in a value chain, and possible ways to address these bottlenecks.

A further reason for low prices obtained by traders, and in turn low prices paid to farmers, is the complicated export process. Exports to developed countries are often difficult due to strict quality standards (*Myanmar Times*, 2016b) and cumbersome

administrative requirements. Exports to China are complicated by frequent border closures, perceived lack of free competition between Chinese traders, and other border arrangements that are disadvantageous for Myanmar traders and, by extension, Myanmar farmers (NESAC, 2016). These are issues that are difficult for traders to address alone, and the government needs to intervene. The problems have been raised with different levels of MoALI, but so far the problem has not been solved.

4.2.2 Marketing of livestock and livestock products

Marketing of livestock and livestock products is heavily regulated, which can be seen as a leftover of the country's socialist past. TDACs decide on the number of slaughter permits issued, and at what cost, which is one of their main sources of income (Arnold *et al.*, 2015). Although the committee has public representatives, these originate mostly from the township's urban area. The permit system distorts the proper functioning of the market for livestock and livestock products by limiting competition, and by requiring slaughterhouses to take big margins in order to earn back the money they invested in the licence. Consequently, the distorted prices harm both livestock farmers and consumers. This is an example where participatory decision-making is not bringing about results that are in the interest of the majority of the people.

4.3 Irrigation and water utilization

Whereas the total land surface under irrigation in Myanmar doubled between 1980 and 2000, the percentage of irrigated land was only around 20 per cent in 2011.⁶ This figure seems reasonable in comparison with some neighbouring countries, such as Cambodia and Malaysia, where the land surface under irrigation is even lower, but other neighbouring countries with deltas and similar water resources to Myanmar, such as Bangladesh and Viet Nam, have a much more land surface under irrigation (Raitzer, 2015).

Government irrigation systems in Myanmar, until now, were mostly established in a top-down manner, in line with the general government practices. The focus in recent years has been more on quantity, in terms of number of dams established, than on quality. There are reports that owing to a preoccupation with meeting dam construction targets, the irrigation construction services at times did not pay sufficient attention to the construction of

⁶ WB (2016) cites percentages of irrigated land of 15% in 2014-15 and percentage of land under public irrigation systems of 12% in 2011-12.

canals to guide the water from the dams to the fields. Also, the quality and location of the dams is thought to be suboptimal in many cases. The new government is expected to focus initially on making sure that the existing irrigation systems work properly, rather than constructing new ones (MoALI, 2016b).

In certain areas of the Dry Zone irrigation is a good option to improve the conditions for agricultural production, especially in the context of the impact of changing climate in the Dry Zone as explained in the **Introduction**. Until recently, farmers benefiting from government-provided irrigation systems were obliged to grow rice, in line with the bias towards rice production of the previous governments. Most of the rice production in the Dry Zone takes place in areas with government irrigation. However, given the climatic conditions, factors such as soil types, and the profitability of other crops, even when irrigation is provided, rice is not always the most attractive crop, or at least not for two cycles per year. Consequently, now that the government has lifted the obligation to grow rice on land benefiting from government irrigation systems, the interest of farmers in establishing government irrigation systems on their lands is growing. There seems to be growing awareness within the government, also at the political level, that it would be better to focus on oilseeds, beans and pulses, rather than rice, in the Dry Zone. A statement by the new government said that paddy cultivation requires six times more water than other crops, and that bean cultivation is twice as profitable as paddy (Mol, 2016).

The Department of Irrigation, Water Resources Utilization and Management (DIWRUM), which is responsible for irrigation within MoALI, has a presence at the regional- and district-level, and manages the government-provided irrigation systems. At the township level, an agricultural supervision committee decides on the water flow of government irrigation systems. Different relevant government entities are represented in these committees (DoA, PD of Ministry of Planning and Finance (MoPF), DIWRUM, MADB, SLRD, DCID⁷), but not the farmers who use the water from the government irrigation systems. Farmers organized in water-user groups have to take care of the tertiary irrigation canals, and the leader of these groups can request the agricultural supervision committee to change the water flow. A recent WB report (2016) stated that irrigation systems in the Dry Zone need to be more flexible and provide demand-driven irrigation services to enable farmers to pursue the best crop mix/rotation patterns in different areas, in response to market conditions. Water-user groups are not established or functioning properly for all

⁷ DCID was integrated in DoA in early 2016.

irrigation systems, and a stated policy plan of the Second Short Term Five Year Agriculture Policies and Plans document of MoALI is to establish water-user groups to ensure effective utilization of irrigation water (MoALI, 2016b).

Under the new government, there seems to be a slow drive within DIWRUM to decentralize power to lower levels. For the repair of irrigation canals the regional DIWRUM offices do not need to obtain national-level authorization anymore. Now they are allowed to decide on such repairs themselves, which can save valuable time. In general, DIWRUM's regional staffs are more empowered and freer to voice their (budgetary) needs at the national level.

4.4 Rural development

With the creation of the DRD in 2012 and the formulation of the SFRD in 2013, the government started a drive to set up bottom-up initiatives for the development of rural communities. This was unprecedented, given the government's traditional top-down approach, and rural communities benefiting from these initiatives generally welcomed this novel engagement with the government.

DRD's own 'Evergreen' or 'Green Emerald' (*Mya Sein Yaung* or MSY) programme started in 2014 with the provision of 30 million MMK grants to selected villages to support their livelihoods, in particular as capital for revolving funds that are meant to provide small loans to (groups of) members of the community. A maximum of 3 per cent interest per month has to be paid over these loans, and after two years the money accrued with these interest payments may be used for village development activities. The revolving funds are managed by a newly set up dedicated village committee, in which different groups, including women, are represented. The scheme seems to be partly inspired by the village development plans of ActionAid. In the fiscal year 2014-15, the programme started with 1,450 villages in 282 townships in all 14 states and regions. In the 2015-16 fiscal year another 3,000 villages were added from a total of 288 townships (Griffiths *et al.*, 2016) For the 2016-17 fiscal year, DRD will add another 2,107 villages.⁸

The general experience with the MSY programme has been positive. Besides the main aim of reducing rural poverty, other outcomes are the strengthening of social cohesion within villages, increased project management capacities within villages and

⁸ In total, Myanmar has around 70,000 villages in 330 townships in 7 states, 7 regions and 1 Union Territory.

becoming familiar with democratic principles (Griffiths *et al.*, 2016), A criticism that was voiced before the elections at end of 2015 was that the programme was abused as a way to buy votes for the military-linked USDP party (Eleven, 2015; *Myanmar Times*, 2015). On the operational side, a concern was that the preparation time before a village receives the funding is too short. There is often relatively little time (only a few months) between the moment a village is officially selected to be a beneficiary of the programme, and the moment the funds are transferred to the bank account of the village committee, with the government eager to disburse funds in order to meet spending and implementation targets. Once villages have received the MSY funds, they are usually eager to spend them quickly. Some NGOs take least several months to sensitize communities and build up the capacities of relevant people to properly manage a cooperative-like structure and the related funds. Another concern is that the village committees that are set up in MSY beneficiary villages are formed in parallel to existing Village Development Committees or other village governance arrangements. However, in the MSY village committees all groups, including women, have to be represented, whereas existing village committees usually consist of men and represent the relatively prosperous part of the community. Finally, the village revolving funds could also be seen as village-level cooperatives, especially if they invest in joint assets, such as shared agricultural machinery and if they allow community members to save money through the revolving fund. However, the Department of Cooperatives (DC) seems to be hardly involved in the whole MSY programme, focusing only on officially registered cooperatives that usually have a more narrow focus on agriculture or livestock. Other MoALI departments, DoA and DLV, are more involved in the MSY programme, providing specific training related to the livelihood activities identified by respective villages, with financing from DRD for such activities. DLV and the Department of Fisheries, which used to be part of the same ministry as DRD, both also have their own MSY programmes under which they support communities, while focusing on their respective areas of competence.

The SFRD stated that committees would be set up at national, regional and township levels, called Consortiums of Development Partners, with participation of civil society and private-sector representatives besides the government (DRD, 2013). However, so far, only the committee at the national level has been set up. From the government side, there is a perception that international organizations should coordinate their activities better with local government authorities. On the NGO side, there is a perception that local CSOs,

whose local knowledge and linkages with local communities would be particularly useful, are not properly engaged in the local implementation of the MSY programme.

Similar initiatives to the MSY programme have been started in recent years by ADB and WB, in close partnership with DRD. However, the ADB and WB projects provide grants for infrastructure works, while the MSY programme focuses on livelihoods through revolving funds. WB's Community Driven Development (CDD) project allocates funding following a participatory planning process covering all villages within a village tract. Within a selected township, all village tracts are covered (WB, 2015). The project started in 2013 and during its first fiscal year (2013-14), three townships were covered (none in the Dry Zone). During the 2014-15 fiscal year, another six townships were covered (including Sidoktaya in Magway region and Pinlebu in Sagaing region). During the 2015-16 fiscal year, another 18 townships were covered (including Mindon in Magway region, Ngazun and Nyaung-U in Mandalay region, and Myaung and Banmawk in Sagaing region). During the 2016-17 fiscal year, another 20 townships will be covered (including Pauk, Saw and Tilin in Magway region and Natogyi, Pyawbwe and Yamethin in Mandalay region). After additional funds were made available for the project, including co-financing from the Myanmar government, a total of 63 townships should be covered by the end of the project in 2021 (DRD NCDDP, 2016). The ADB's Enhancing Rural Livelihoods and Incomes Project (ERLIP) uses the same model as WB's CDD project with grants being provided to village tracts to fund small-scale development projects identified by the communities themselves, such as irrigation systems, bridges and footpaths, community health centres and schools. However, unlike WB's CDD project, ADB's ERLIP will also provide livelihood skills development through training in areas such as English literacy, agricultural diversification, and agribusiness and traditional cottage industries. A total of 96 village tracts across six townships will be targeted, including Myothit township in Magway and Nyaung-U in Mandalay region (Bank Information Center, 2015; ADB, 2016). As part of the CDD and ERLIP projects, dedicated committees are set up in the targeted village tracts at the village-tract level (based on VTDCs⁹) and at the village level.¹⁰

Besides the DRD-related rural development initiatives described above, there are other continuous government funds that also finance infrastructure and other interventions

⁹ It is not clear how these committees continue, or how new committees are formed, following the abolition of VTDCs by the new government.

¹⁰ See the Operations Manual of the CDD project for detailed descriptions on how the committees at village tract and village level are formed (DRD NCDDP, 2014)

in support of rural development. These LDFs include the Poverty Reduction Fund, the Constituency Development Fund and the Rural Development Fund, which each follow their own specific (budget) decision-making processes through various committees at different levels (see Figure 2.2 in subsection 2.1.2). As partly described above, the MSY, CDD and ERLIP funds also have their own decision-making processes through different committees at various levels. In order to prevent overlap between the different interventions, a lot of coordination is required between the various committees, which is often time-consuming. Although MSY works at the village level and CDD and ERLIP work at the village tract level, they all use PRA techniques for their participatory planning processes.

4.5 Land tenure

Land tenure is a big problem for farmers in the Dry Zone, as it is all over Myanmar. The average size of land ownership in the Dry Zone is considered to be relatively low compared to landholdings in the delta, although there are big variations between different areas. Population density in the Dry Zone is above the national average and over 40 per cent of the rural population has no land (FAO, 2014). In the Dry Zone, large swathes of land have been acquired by the government for various purposes. This has resulted in numerous protests by farmers. Multi-stakeholder land governance forums to resolve land disputes have been organized by the Land Core Group (LCG) in some areas of Myanmar, and in the Dry Zone with NAG in Minhla township, Magway region.

In 2012, the parliament set up the Farmland Investigation Commission to investigate land confiscation cases. In 2013, the Land Utilization Management Central Committee was established by the government. This committee was only comprised of government representatives and was chaired by then-Vice-President Nyan Tun. The committee was charged with implementing the recommendations of the parliamentary commission and facilitating the return of seized land (*Irrawady*, 2016a). The Farmland Investigation Commission, which no longer exists, stated that the previous government, and private companies have released or given back over 400,000 acres to the State since 2013, out of the 2 million acres that the Farmers' Affairs Committee in the Parliament's Upper House (*Amyotha Hluttaw*) believed could be considered 'confiscated' (Pierce, 2016). From the regular press reports, it is evident that there are still many land conflicts unresolved. The new government set up the Central Committee on Confiscated Farmlands and Other Lands (CCFOL), which, on 30 June 2016, decided to settle all remaining land-

grabbing cases within six months (*Irrawady*, 2016a). Under the central CCFOL, subcommittees have also been established at subnational levels up to village tract level to assist the central committee. At the national level, the central committee has no public/farmer representatives as members. At the subnational levels, these committees include three public/farmer representatives, but the selection criteria and selection process of these representatives is not clearly defined and thus differs substantially throughout the country. Involvement of affected communities in the proceedings of the committees is also not clearly defined.

The NLUP, mentioned in section 3.1, provided for the establishment of a mechanism of land-use committees with public representatives at village tract, township, district and region/state levels, and the National Land Use Council at the national level (without public representation). The new government has not yet set up these committees.

4.6 Cooperatives and farmers organizations

As explained in chapter 2, historically, farmers have a negative perception of cooperatives in Myanmar. This is a pity, because cooperatives can be useful tools to address the challenges that farmers face all over Myanmar, including in the Dry Zone. In particular, cooperatives can help to address the quality and marketing of products and access to finance. In addition, membership of genuine cooperatives can empower farmers and give them valuable experience in participatory decision-making processes. To get around the negative image of cooperatives, NGOs try to avoid the word 'cooperative' and instead talk about forming 'groups' ('*supong aphwe*' or '*asu aphwe*' in Burmese) or producer organizations, when they talk with people in these communities (*Wissink et al.*, 2016). However, many of these cooperative groups are not officially registered as cooperatives with the DC. The DC itself has set up many (officially registered) cooperatives in recent years, as part of a drive to establish one cooperative in each village (*Ferguson*, 2013). However, these cooperatives are generally set up in a top-down manner, which goes against international cooperative principles, without genuine interest of the farmers concerned, other than the relatively cheap DC loans they can access as members of these cooperatives. Consequently, the cooperatives that are created in this way are not prepared to take up cooperative tasks, such as joint processing, storage and marketing of agricultural marketing. The current Cooperative Law (1992) also allows the DC to intervene

in the decisions of cooperatives, which again goes against international cooperative principles (Wissink *et al.*, 2016).

The system of primary cooperatives, township level federations/syndicates, state/region level unions, and national-level apex or CCS, as provided for under the Cooperative Society Rules of 2012 could be a structure for bottom-up advocacy for the interests of cooperatives, but currently it is rather functioning top down, with the CCS having close links with the DC. Coordination between DC and other MoALI departments such as the DoA, DLV and DRD seems to be weak.

Well-functioning cooperatives also have a strong potential to take on an advocacy function for their members, besides their primary economic function. In other countries, cooperatives often perform both these functions, but in Myanmar officially registered cooperatives are closely associated with the government, and have hardly taken up any advocacy functions. Since the political reforms, the advocacy function is slowly being taken up by farmers' organizations and unions, which also perform an economic function for their members. However, these farmers' organizations are often not very well organized, and as a result are not very effective as advocates for the interests of their members. As described in previous sections, there is often a need for farmers to be represented in different decision-making committees. The large number of farmers' organizations makes it difficult for government entities and other stakeholders to choose the most representative farmers' organizations to engage with (NAG, 2016). The absence of consultative roles offered to farmers' unions in relation with government entities, such as DoA, is unsatisfactory for these farmers' organizations (FSWG and GRET, 2015). It is sometimes perceived that positions on relevant government committees are mostly taken by farmers' organizations closely aligned with the previous government. NAG has supported a process in Magway region to enable different farmers' organizations to work together through an association of farmers' organizations called the Magway Region Farmer Network. However, in other regions, and at the national level, such associations have not been established, and it will take a lot of time and effort before these associations work in a representative and transparent way.

Farmers' organizations can choose to officially register themselves either as an association, a union or a cooperative. Registration of farmer unions was only allowed for farmers who owned less than 5 acres, with a minimum of 30 farmers, but these rules were not applied everywhere in the same way, with the registration process being nearly impossible in some townships, and very easy in others (FSWG and GRET, 2015). Under

the new government, registration of civil society organizations has been greatly simplified, but it is not clear whether that also applies to farmer unions.

5 Budget Decision-making Processes

5.1 National-level budgeting

During the long period of direct military rule, the availability of financial information for the public was very limited; information related to government budgets was usually considered a state secret. In addition, during the first years of the political reforms, accessing budget information required high-level contacts and long authorization procedures. Consequently, people are generally not familiar with the budget process, the formulation of priorities and amounts spent by the government (Bonoan, 2016). From a democratic point of view, it is desirable that the public, CSOs and elected representatives have full access to budget information, so that they can influence the budget decision-making processes, based on their knowledge, interests and opinions.

In the last few years, some important changes have been made to the budget decision-making processes (mostly prescribed by the 2008 Constitution). Starting with the 2011-12 fiscal year, more responsibilities were given to the former Ministry of Finance (MoF) and the former Ministry of National Planning and Economic Development (MNPED) to manage the formulation of budgets and budget decision-making processes have become better organized. Subnational governments are also more involved in the planning processes. Starting with the 2012-13 fiscal year the budget is being prepared separately for states and regions, and different national government entities, including ministries. Progressively, states, regions and ministries were requested to prepare their own budget proposals for review by parliament. Starting with the 2012-13 fiscal year, the budget is also more actively debated, discussed and modified by the national parliament and is made public. The previous government also began an ambitious public fiscal management reform programme with the objective of increasing credibility, transparency, stability and control. As part of the programme, old processes were substituted with more modern public finance management systems (Oo *et al.*, 2014). The 12-Point Economic Policy of the new government identified key priorities for the country's new reform strategy, including strengthening public financial management through more prudent and efficient public spending and creating an open and transparent budget process (Bonoan, 2016). When the new government took over in 2016, it merged MoF and MNPED into the MoPF.

The new government may have made some other changes that are relevant to budget decision-making processes, but the main lines of the budget cycle remain the same for the time being. Under the previous government, the budget process for each fiscal year began around August, when MoF and MNPED published budget calendars. States, regions and ministries were expected to submit their proposals by November. After that these combined budgets were submitted to parliament for debate and approval between January and March. After parliament gave its approval, funds were distributed to the states, regions and ministries. The national government managed most expenditure and state/regions also directly managed parts of some policy areas, including agriculture. States, regions and ministries fixed their own budgetary ceilings and expenditure proposals. State and region budget proposals were reviewed by state and region parliaments before being sent to the finance commission.¹¹ The finance commission then combined the state and region budgets with the rest of the national budget and submitted the consolidated budget to the national parliament. MoF, as well as the finance commission, could make changes in these proposals before submission to parliament. Beyond the middle of the fiscal year, the government prepared and submitted to parliament an updated budget. In this 'supplemental budget' expenditure allocations were often increased. Hence, the final budget was not known until beyond the middle of the fiscal year, when government entities are also preparing for the budget of the next fiscal year (Oo *et al.*, 2014).¹²

Nominally, government spending more than doubled during the 2011-12 to 2013-14 fiscal years. The biggest increases in budget allocations have been transfers/aid to states and regions. Transfers to states and regions more than doubled in 2014-15 to 8 per cent of the budget, compared to just over 3 per cent in the years before. Agriculture, fisheries and forestry allocations combined (including relevant state-owned enterprises (SOEs) expenditure) were around 5-6 per cent of the total budget during the 2012-13 to 2014-15 fiscal years. Allocations for livestock, fisheries and rural development rose from 0.03 per cent in 2012-13 to about 2 per cent in the 2014-15 budget. The allocation for agriculture and irrigation declined by 0.5 per cent between 2012-13 and 2014-15 (Oo *et al.*, 2014).

Although the new parliament might be expected not to make big changes to the government's budget proposals (*Myanmar Times*, 2016g), there are also indications that

¹¹ It is not known whether the finance commission, which used to be chaired by the finance minister, has been abolished by the new government.

¹² For a more detailed description of the budget procedures see Dickenson-Jones *et al.* (2016).

the new parliament would like to have a stronger say on the national budget, at least concerning the division of funds within ministries. Whereas the budget commissions of parliament will focus on the budget as a whole and division between ministries, sectoral committees of parliament will focus on the division of funds within respective ministries. Therefore, the agriculture, livestock and rural development committee of the Lower House is expected to play an important role in the division of funds within MoALI. There is a general perception that under the previous government DIWRUM received a relatively large proportion of the former MoAI budget, and that DoA and DAR got a relatively small share. It is not known to what degree the agriculture, livestock and rural development committee of the Lower House and its counterpart in the Upper House intend to consult with farmers organizations, civil society, private sector and other stakeholders specifically related to their decision-making role on the budget of MoALI.

5.2 Subnational-level budgeting

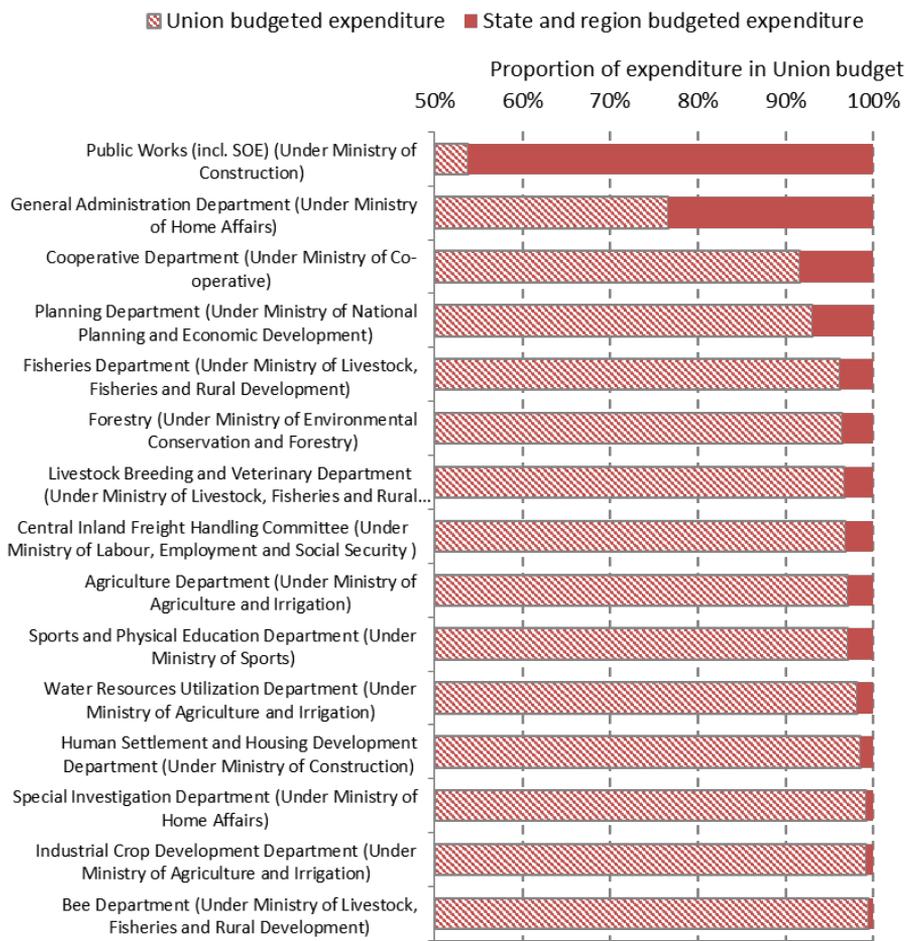
As explained earlier, historically, many of Myanmar's administrative and political structures have been very centralized. However, the 2008 Constitution formally established the state and region parliaments, and assigned them with legislative responsibilities, giving them the right to collect and spend revenues. After that, the central government pressed for further decentralization with continuous efforts to increase the financial responsibilities and resources of state and region governments. In theory, decentralization enables better allocation and more efficient use of government finances. However, this will only happen if subnational governments have the right incentives and capacity to spend and raise revenue in the interest of their people (Dickenson-Jones *et al.*, 2015).

The 2013 Framework for Economic and Social Reforms identified the Government of Myanmar's resolution to develop a participatory process of budgeting at the subnational level that accounts better for local needs. Myanmar's budget decision-making processes still look relatively centralized. However, if budgetary decentralization is not handled appropriately, it can lead to waste, exacerbate inequality and harm macroeconomic and political stability. Although substantial resources and authority have been moved to subnational governments in a short time, it seems many of the risks have been successfully handled. Nevertheless, there are still many questions around the roles and responsibilities of subnational government entities. The reorganization of Myanmar's subnational governance under the previous government can be characterized as

'deconcentration' rather than 'fiscal decentralization'¹³; subnational governments are strongly dependent on resources transferred from the national level, and subnational departments are the subnational representations of Union ministries, and only partly controlled by state and region governments. Nevertheless, these reforms are a step in the right direction and prepare the way for further reforms later. Building on the experiences gained through the current deconcentration, the capacities of subnational government entities can be developed further to prepare them for more responsibilities. With increasing responsibilities for local authorities and stronger involvement of other local stakeholder and the public, the targeting of expenditure is expected to improve as well (Dickenson-Jones *et al.*, 2015). However, increased decentralization is not only hampered by limited capacities at the subnational level, but also by a lack of clarity on the roles and responsibilities of the different government entities in the legislative and institutional frameworks (Dickenson-Jones *et al.*, 2016).

¹³ See Box 1.1 for explanation of the terms 'deconcentration' and other terms related to decentralization

Figure 5.1 Proportion of national and subnational-level expenditure in Union budget



Source: Dickenson-Jones *et al.* (2015), based on 2013-14 Union, state and region budgets

Budgetary transfers from the central level to states and regions have increased from 2.2 per cent of the national budget in 2011-12 to 8.2 per cent in 2016-17 (Dickenson-Jones *et al.*, 2016). Figure 5.1 shows that the majority of state and region departments and SOEs get less than 10 per cent through the state and region budgets out of the total expenditure in their respective areas. The different proportions of total expenditure being

channelled through state and region budgets may also be caused by differences in willingness between departments to delegate part of their expenditure to subnational government entities (Dickenson-Jones *et al.*, 2015).

Financial transfers from the national level are currently the main income source of state and region governments. Different subnational government entities play a role in budgetary decision-making processes at the subnational level and the actual expenditure. As mentioned above and explained in subsection 2.1.1, region- and state-level departments are accountable in varying degrees to their national-level ministries and state and region governments (Dickenson-Jones *et al.*, 2015).

The main subnational government entities below the regional and state level and their role in budget decision-making processes are described below (see also Figure 2.2 in subsection 2.1.2). Village tracts are the lowest administrative level with a government presence. Village tracts consist of around five villages and are administered by a VTA (Dickenson-Jones *et al.*, 2015). A township consists of a number of village tracts (rural areas) and wards (urban areas). Township authorities, assisted by VTAs (and Ward Administrators), identify and implement projects in their township, but their control over the related expenditure is mostly limited (Dickenson-Jones *et al.*, 2016). Project funds are mostly controlled by the relevant departments. Township authorities are led by a Township Administrator (TA) from the GAD. The TA, assisted by other officials, is responsible for managing the finances of the township office, including preparation of the budget, which includes mostly operational costs and expected tax revenues. Township budgets are submitted to the District Administrator who combines them with the budgets of the other townships in the district. After that, these budget proposals are submitted to the state or region Budget Director and Auditor General for verification and included in the budget decision-making processes as described in section 5.1. Up to 2015, district-level authorities were mostly responsible for monitoring, administration and reporting, but not the allocation of funds. However, the previous government intended to give more financial responsibilities to districts and townships (Dickenson-Jones *et al.*, 2015).

Every township has at least one TDAO, which is responsible for providing public services, such as waste removal, street lighting and water supply, particularly in the urban areas of the township. TDAOs do not receive financial transfers from the national-level government and mostly have to raise their own funds through property taxes, wheel taxes, and others service fees and licence charges (including slaughterhouse licence charges as described in subsection 4.2.2) (Dickenson-Jones *et al.*, 2015).

More specific for the areas of agriculture and livestock in the Dry Zone, in 2014, it was reported that regional departments of agriculture and livestock were quite free to identify activities at regional and township level, even though they had only limited financial resources. Officers of these departments at the township level reported both to the regional offices of their departments and to the TA through a kind of matrix management. The financial resources for their activities came from both the national-level (MoALI) and regional budgets. DoA and Water Resources Utilization Department (now part of DIWRUM) activities were financed completely from the regional budget, but office costs, salaries and similar expenses were paid from the former MoAI. Department of Irrigation (now also part of DIWRUM) finances came from MoAI (except for small-scale irrigation operations) (FAO, 2014).

As described, budgeting below the national level (state/region, district, township, village tract and village) is currently mostly controlled by different government entities, with little influence from civil society and private sector. An exception is the TDAOs/TDACs, which collect their own resources and are quite free how to use those resources. The majority of the TDAC members are elected, including one private sector and one civil society representative (Arnold *et al.*, 2015).

In general, people's understanding of budgetary decision-making processes is limited, which reduces their willingness and ability to be involved. Although officials may realize the importance of involving the public, it is difficult for them to manage such consultation processes (Dickenson-Jones *et al.*, 2016). Participatory budgeting is a concept for establishing greater participation of communities and relevant stakeholders in budgeting, especially at the subnational level. ActionAid recently provided training on pro-poor participatory budgeting for regional MPs in Ayeyarwaddy. The training included how to use PRA tools in the budgeting process and monitor implementation. Participatory budgeting could be useful in the Dry Zone to enhance participation of communities, civil society and the private sector in budget decision-making processes at the subnational level.

6 Conclusions and Recommendations for Participatory Decision-making for Sustainable Agriculture in the Dry Zone

6.1 Organization and human resource management within the government

6.1.1 Organization

Conclusion: Currently there is a lack of coordination and cooperation between departments within MoALI and with other government entities. Government staff tend to focus on their own activities, without much concern about how these activities fit with activities of other government entities. Many interministerial coordination committees and commissions set up by the previous government, and which expired automatically at the end of their mandate, have not been replaced (yet) by the new government.

Recommendation 1: The government administration should be modernized to facilitate knowledge-sharing and coordination between government departments and other government entities, and in turn improve the services provides to farmers. But most of all, a change of mentality should be fostered, which should make it essential for government staff at all levels to coordinate and, where possible, integrate their work with colleagues in other departments, thus acting as one government. This change of mentality has to come from the top, government staff in higher positions should lead by example.

Recommendation 2: While quality goes above quantity, adequate interministerial committees and commissions should be instated, to support effective coordination within the government. Where feasible and desirable, representative civil society and private-sector coordination bodies should be included in relevant committees and commissions.

Conclusion: Government entities currently mostly measure their performance through output indicators.

Recommendation 3: Participatory M&E tools should be used as alternative ways to measure the impact of government policies and activities.

Conclusion: Despite the abolition of the TDSCs and VTDCs by the new government, there is still a plethora of different committees with overlapping mandates,

especially at the township level. Although they might be coordinating their activities, it is confusing for the public and leads to many inefficiencies.

Recommendation 4: A comprehensive review of subnational governance arrangements should propose ways to consolidate the number of committees at the subnational level, in particular at township level. Adequate public representation, including women and men from the rural areas, should be a key concern in the review.

6.1.2 Human resource management

Conclusion: In general HRM practices within the Government of Myanmar are rather top down, although there are early signs of positive change since the new government took office.

Recommendation 5: MoALI should set up a dedicated programme to modernize its HRM practices within the different departments to make them more bottom up to empower its staff at all levels.

6.2 Policy decision-making processes in agricultural governance

Conclusion: Public consultation processes lead to policies and laws that are well adapted to the problems faced on the ground and that are supported by the public and relevant stakeholders. Although there are some good experiences with public consultations at the national and state/region level, MoALI has little experience and capacity for conducting public consultations on new policies and laws.

Recommendation 6: MoALI, the Union parliament, regional governments in the Dry Zone and regional parliaments in the Dry Zone should adopt public consultation processes for the formulation of policies and laws in collaboration with relevant civil society organizations. Such public consultations processes should be well prepared for, including robust capacity-building of concerned government staff and harnessing of experiences gained by other government entities and regional parliaments. For MoALI, the conduct of public consultations on the ADS would be a good opportunity to gain experience and build up its capacities for such participatory policy decision-making processes. For the regional governments and parliaments in the Dry Zone, the formulation of regional climate change adaptation strategies and action plans supported by regional public consultations will be very relevant, and a good opportunity to gain experience with public consultations.

6.3 Operational decision-making processes in agricultural governance

6.3.1 Agricultural and livestock extension, education and research

Conclusion: Government agricultural and livestock extension, education and research are all underresourced, and need major reforms, including on how they work together, to enable them to effectively address the big challenges and opportunities of Myanmar's agricultural sector.

Recommendation 7: The agricultural and livestock extension system should be reformed in a way that enables them to work with farmers in a participatory way, rather than the current top-down provision of knowledge. The extension services should be demand driven; tailored locally to the specific challenges faced by farmers. The different government extension services (agriculture, livestock, rural development and cooperatives) should also be integrated and closely linked with research and education services. Through a participatory process, the government should conduct a comprehensive reform of the agricultural and livestock extension, research and education system, to define how its extension services complement and relate to the extension services provided by the private sector, the non-profit sector and other knowledge sources used by farmers. This reformed system should be adequately resourced. Effective vocational education for future farmers should also be provided to enhance farmers' capacity to organize themselves and effectively take part in participatory decision-making processes.

Conclusion: A limited number of farmers and private-sector actors are involved in the development of new seed varieties by DAR. Despite the current government system of seed production and distribution run by DAR and DoA, most farmers cannot access improved seeds.

Recommendation 8: Farmers and the private sector should be involved in the development of new crop varieties in a more systematic way, to make sure the new varieties address farmers' and market preferences. A new model for the effective multiplication and distribution of seeds should be developed through a participatory process, in which the government works together with cooperatives/farmers (organizations) and the private sector.

6.3.2 Marketing of agricultural products, livestock and livestock products

Conclusion: For various reasons, farmers in the Dry Zone are currently receiving lower prices for their products than are achievable. These reasons include the low

participation of farmers in group marketing, limited competition among traders, limited price information, low quality of products, regular border closures, lack of competition between foreign buyers and other disadvantageous border arrangements, and damaging local market regulations.

Recommendation 9: Farmers in the Dry Zone should organize themselves into cooperatives to pool their produce and negotiate better prices. Organization into cooperatives also has other benefits, as described in subsection 6.3.6.

Recommendation 10: Participatory value chain analysis methods should be employed to enhance farmer's awareness on how to improve the quality of their agricultural products. They are also useful to address other bottlenecks in the value chain by other stakeholders, including export-related issues by the central government.

Recommendation 11: The permit system for slaughterhouses managed by TDACs, despite having a public majority, is hurting farmers and consumers and therefore should be abolished.

6.3.3 Irrigation and water utilization

Conclusion: Government irrigation systems were mostly established in a top-down manner, with more focus on quantity than quality. The new government is expected to focus initially on making the existing irrigation systems work properly, before building new ones. In certain areas of the Dry Zone, irrigation is a good option to improve the potential for agricultural production. Currently, agricultural supervision committees at township level, without farmer representatives, decide on the water flow of government irrigation systems. Farmers grouped in water-user groups can make requests to the agricultural supervision committee concerning the water flow, although not all farmers using irrigation systems are united in (properly functioning) water-user groups.

Recommendation 12: Farmers using irrigation systems should be organized in well-functioning water-user groups. Representatives of water-user groups should also be included in agricultural supervision committees that decide on the water flow of irrigation systems, and have a strong influence on the decisions made in these committees because they are the main stakeholders.

Conclusion: The lifting of the obligation for farmers under government irrigation systems to grow rice will allow farmers to decide themselves what is the most attractive planting pattern for them. It is expected that this will also increase interest in government-

provided irrigation in the Dry Zone. Decentralization within DIWRUM is expected to improve the department's services for farmers.

Recommendation 13: Further decentralization within DIWRUM should be considered where feasible, in order to let the Department respond better to local circumstances and needs.

6.3.4 Rural development

Conclusion: DRD, WB and ADB village planning activities are promising participatory initiatives to empower rural communities to take control of their development. In this regard, they are providing a welcome break from the traditional top-down engagement of the government with the people.

Recommendation 14: DRD should continue to try to improve the procedures used to set up sustainable revolving funds as part of its MSY programme, and allow enough time to prepare village committees to properly manage the funds.

Recommendation 15: Consideration should be given to whether the MSY village committees, once they are established and functioning well, could provide a participatory entry point for other government support, in particular in the areas of agriculture, livestock and cooperatives.

Recommendation 16: Consideration should also be given to whether the MSY village committees could expand their mandate and replace existing village governance structures, in order to avoid parallel structures. At other levels, and especially at the township level, consideration should be given to whether different committees can be consolidated (as also mentioned under recommendation 4) to make it easier to coordinate allocation of DRD-related funds, LDFs and other funds, to coordinate other local government initiatives, to reduce inefficiencies and provide greater transparency.

6.3.5 Land tenure

Conclusion: The creation of central CCFOL and its subnational committees with public involvement by the new government is a good opportunity for participatory resolution of land disputes.

Recommendation 17: Care should be taken to ensure that the mechanism is truly participatory, by including farmer representatives at the national level, setting clear criteria for the selection of public/farmer representatives at the subnational level, and setting clear procedures for the involvement of affected communities in the resolution of land conflicts.

Recommendation 18: The relation between the mechanism of the Central CCFOL and the mechanism of the National Land Use Council as defined in the NLUP should be clarified.

6.3.6 Cooperatives and farmers' organizations

Conclusion: Cooperatives can be a useful tool to address the challenges faced by farmers in the Dry Zone. In addition to the economic function of cooperatives, they can also take up advocacy roles and provide farmers with valuable experience in participatory decision-making processes. However, the current policies and legislative framework for cooperatives are not enabling the creation of sustainable, empowered cooperatives.

Recommendation 19: The current cooperative policies and legislative framework should be reformed in order to support the creation of strong cooperatives, in which farmers can gain valuable experience in participatory decision-making. The CCS loan system should be reformed to focus on cooperatives, rather than individual farmers. Farmers should have full control over their cooperatives, and the cooperatives/federations/unions/apex system should be reformed to function in a more bottom-up way.

Conclusion: A notable overlap seems to exist in the efforts of DC to establish cooperatives in every village and the efforts of DRD to establish revolving funds managed by dedicated village committees in many villages.

Recommendation 20: Consideration should be given to whether DC and DRD activities can be integrated at village level, in line with recommendations 1 and 15.

Conclusion: Farmers organizations in the Dry Zone, as in other parts of Myanmar, are currently not well organized internally, or among each other. In Magway, an association of farmers' organizations has recently been set up. Strong associations of farmers' organizations are needed to represent farmers in various decision-making committees at various levels.

Recommendation 21: Farmers organizations in Mandalay and Sagaing regions should also organize themselves in associations of farmers' organizations. At the national level, these regional associations of farmers' organizations should work together in a national-level federation of farmers' organizations. The government should think of ways to support the creation of representative associations of farmers' organizations at regional and national levels, without compromising their independence. For a start, this means ensuring that farmers' organizations should be able to officially register themselves easily.

6.4 Budget decision-making processes

6.4.1 National-level budgeting

Conclusion: An increasing amount of the national budget is going to states and regions. Allocations for agriculture, fisheries and forestry combined (the primary sector) were around 5-6 per cent of the total budget during the 2012-13 to 2014-15 fiscal years. It is a welcome development that the agriculture, livestock and rural development committee of the Lower House intends to play a strong role in deciding on the budgetary allocations per department within the budget for MoALI as a whole.

Recommendation 22: In deciding on the division of funds within MoALI the respective parliamentary committees are recommended to consult with farmers' organizations, civil society and other stakeholders.

Recommendation 23: In general, it is recommended the government continues to improve public finance management and transparency, so all stakeholders can engage in public debate on the national budget and regional budgets, including budget allocations within specific policy areas.

6.4.2 Subnational-level budgeting

Conclusion: Decentralization of budget decision-making processes is work in progress and needs to be managed carefully. Currently, the decentralization initiated by the previous government amounts mostly to deconcentration. This is a step in the right direction, while capacities at the subnational level are being built.

Recommendation 24: The government is recommended to carefully continue the process of decentralization initiated by the previous government, making sure the capacities of regional authorities grow along with their increasing responsibilities.

Conclusion: Participatory budgeting tools have not been used in the three regions of the Dry Zone.

Recommendation 25: Participatory budgeting tools should be considered in the Dry Zone as a way to increase the influence of the people and stakeholders on budget decision-making processes handled by government entities and regional parliaments.

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Appendices

Appendix 1 Composition of relevant committees

Township Development Affairs Committees Composition

1. Elected Influential Person (Chair)
2. Municipal Officer (Executive Officer) Secretary
3. Social sector representative Member
4. Business sector representative Member
5. Academic representative Member
6. GAD Deputy Township Officer Member
7. Rural, Livestock and Fisheries Department Deputy Officer Member

Source: Arnold *et al.* (2015)

Township Development Implementation Committee

1. State/region and Union MPs (one serving as Chair)
2. Executive Officers from both TDSC (abolished) and TMAC
3. Township Officer DRD
4. Township Administrator GAD (Secretary)

Source: Robertson *et al.* (2015)

National Land Use Council

1. Vice-President assigned by the President (Chair)
2. Relevant Union Ministers and Chief Ministers of the Regions or States (members)
3. A person elected and assigned by the members as the Secretary

Source: Republic of the Union of Myanmar (2016)

Land Use Committee at Region or State Level

- Chief Minister (Chair)
- Ministers for the ministries related to land use from region or state government
- Responsible persons from the relevant region- or state-level government

departments and organizations

- Representatives of farmers selected by local associations, representatives from all local ethnic nationalities, experts, women and elders (members)
- A person elected and assigned by the members as the Secretary

Source: Republic of the Union of Myanmar (2016)

District Land Use Committees, Township Land Use Committees and Village-tract or Ward Land Use Committees are to be based on the composition of the Land Use Committee at region or state level

Source: Republic of the Union of Myanmar (2016)



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