



Livelihoods and Food Security Fund



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LIFT Call for Proposals

AGRICULTURE, MARKETS AND FOOD SYSTEMS: KACHIN AND NORTHERN SHAN 2019-2023

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Deadline:	25 th November 2019 13:00 (Myanmar local time)
Title:	Agriculture, Markets and Food Systems: Kachin and Northern Shan State 2019 – 2023.
Budget:	USD 2 million
Estimated Start:	March 2020
Duration:	Three years

1. Background

The Livelihoods and Food Security (LIFT) Fund is a multi-donor fund established in 2009 to address food insecurity and income poverty in Myanmar. LIFT 2019-2023 is funded by seven donors – the United Kingdom, the European Union, Australia, Switzerland, the United States, Canada and Ireland. The United Nations Office for Project Services (UNOPS) is the Fund Manager for LIFT, administering the funds and providing monitoring and oversight services.

The overall goal of the LIFT Fund is to achieve a sustained reduction in the number of people living in hunger and poverty in Myanmar. LIFT strengthens the resilience and livelihoods of poor and vulnerable populations through interventions to raise income, decrease vulnerability, improve nutrition and support pro-poor policy development.

LIFT works with a broad range of implementing partners, including non-governmental organizations, United Nations agencies, the Government of Myanmar, the private sector, civil society, academic and research institutions. The Fund is active in the four main agro-ecological zones of Myanmar and to date has reached more than 11.6 million people or roughly 26 per cent of rural Myanmar's population; and is active in two-thirds of the country's townships.

LIFT's refreshed strategy has at its heart 'leaving no one behind' in Myanmar's rural transition, with a greater focus on inclusion and social cohesion, intensified commitment to gender equality and women's

LIFT
12(0), Pyi Thu Lane,
7 Mile, Mayangone Township
Yangon, Myanmar

Tel: +(95) 1 657 280 ~ 87, 657 703 ~ 04
Fax: +(95) 1 657 279, 657 702
lift@unops.org
www.lift-fund.org



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empowerment, increased geographical focus on ethnic/border states and conflict-affected areas, enhanced efforts to bring displaced persons and returnees into LIFT's development programmes, expanded support for underserved urban and peri-urban areas and broader engagement with Government at all levels on targeted policies that achieve gains in these areas.

At the same time, LIFT will continue to support a diversity of livelihood strategies that assist its beneficiaries to 'Step up', 'Step Out' or 'Hang In':

- Households with land, labour or commercial potential to 'step up' through increases in labour and land productivity and enhanced capacity to market production.
- Rural households or individuals to 'step out' of agriculture into the local non-farm economy or to take advantage of opportunities further afield.
- Highly vulnerable households to 'hang in' and use agriculture as a safety net, improve their food security and nutrition outcomes while building their capacity to move out over time.

LIFT will work toward the achievement of these outcomes through innovation, piloting and the generation of evidence-based interventions organised into four thematic programmes: Nutrition; Financial Inclusion; Agriculture, Markets and Food Systems; and Decent Work and Labour Mobility.

For more details visit www.lift-fund.org

2. Objective of the call for proposals

Since 2014 LIFT has invested approximately \$6.6 million within the agricultural sector that targets Kachin and Northern Shan States. This has included extension activities, adding value to primary products (i.e. groundnut and mustard) through farmer led value chain development, the promotion and registration of community forest groups, small grant funding to civil society organizations (CSOs) at the Township level to strengthen food security, and the provision of pro-poor financial services. The current call complements the earlier Kachin and Northern Shan¹ call for proposals by incorporating an agricultural component into the overall Programme. This call is confined to the Agriculture, Markets and Food Systems (AMFS) Theme and will focus on creating greater market opportunities for agricultural products within the face of increasing climate variability and change that contribute to improvements in the livelihoods and food/nutrition security of rural communities and internally displaced persons (IDPs) in Kachin and Northern Shan States. The proposed activities should start no later than March 2020 and end before April 2023.

As emphasised in the recently refreshed strategy² for 2019-2023:

- LIFT will focus on inclusion and social cohesion in the next five years, with a strengthened emphasis on people with disabilities, women, and those vulnerable to trafficking.
- LIFT will have an increased geographical focus on the ethnic/border states and conflict affected areas in order to support more sustainable and predictable approaches to poverty and hunger reduction for communities in protracted crises, conflict-affected and marginal areas.
- LIFT will bring refugees and displaced people into the core of its development programmes by supporting the humanitarian to development transition and assisting displaced persons secure decent jobs and income.

¹ Nutrition and decent work programmes benefitting vulnerable households in IDP camps and host communities in Kachin and northern Shan States. <https://www.lift-fund.org/sites/ift-fund.org/files/uploads/Uplands/LIFT%20Nutrition%20and%20Decent%20Work%20Kachin%20and%20Northern%20Shan%20Call%20for%20Proposals%20Nov%202018.pdf>

² LIFT Strategy 2019 – 2023. <https://www.lift-fund.org/lift-strategy-2019-2023>

- LIFT will work with the Government of Myanmar (GoM) at different levels on targeted policies and policy reform to contribute directly to poverty reduction, inclusion and peace, women's empowerment, government accountability, and to give great voice and control to oppressed minorities.

To support the long-term sustainability of LIFT programme results, LIFT strongly encourages proposals from and/or implemented in partnership with civil society, the private sector and government line agencies in Kachin and Northern Shan State.

2.1 Background to the call

Kachin and Northern Shan States are rich in natural resources which offer significant opportunities for development. However, these very resources fuel the conflicts that have undermined local economic development. A history of intensive, long-standing conflict between the GoM and Ethnic Armed Organisations (EAOs), as well as among EAOs, and the presence of a multitude of militias, coupled with large scale illegal extraction of resources (jade, gold and amber mining³, illegal logging), have adversely affected socio-economic development. This has contributed to higher than average poverty levels (28.6% in Kachin and 37.4% in Shan compared to the national level of 25.6%)⁴.

A significant proportion (65%) of the population live in rural areas where according to the 2014 Population Census⁵, there were just over one million rural inhabitants or about 200,000 farm households. This translates into an average farm size of four to five acres (1.6 – 2.0 ha), although a median farm size is closer to three acres (1.2 ha). Kachin's agriculture is significantly less intensively developed than in the Ayeyarwaddy basin regions, however, the state produces considerable quantities of rice, corn, pulses and beans, sugarcane, fruits and vegetables. The main crop in Kachin is rice paddy (180,000 hectares in 2017/18 according to the Ministry of Agriculture, Livestock and Irrigation (MOALI)). Other crops including corn (27,000 ha), and recently the introduction of groundnuts, fruits (i.e. banana plantations), vegetables and rubber are providing commercial opportunities for investment. Outside limited contract farming initiatives, there have been partial benefits for smallholders beyond limited employment (migrant labour is often employed: 90% of reported internal migration in Kachin is within the State, to mining areas and to some extent agribusiness areas⁶).

In Kachin State 36%⁷ of children under five years old are stunted, an indicator of chronic undernutrition, in Northern Shan the prevalence of stunting is 47.6% which is classified as an emergency by World Health Organization (WHO). The rates of wasting are relatively low in both government controlled areas (GCAs) and non-government controlled areas (NGCAs) with only 4% of children under 5 affected by acute malnutrition in Kachin. However, malnutrition is a clustered phenomenon and there may be pockets across both Kachin and Northern Shan States whereby communities are experiencing higher rates of malnutrition than state wide figure indicate.

³ Assessment of Mining Extent and Expansion in Myanmar Based on Freely-Available Satellite Imagery Remote Sens. 2016, 8, 912; doi:10.3390/rs8110912

⁴ MIMU website, accessed in October 2018

⁵ 2014. Myanmar Population and Housing Census. <http://themimu.info/census-data>

⁶ ILO 2015. Internal Labour Migration in Myanmar: Building an evidence-base on patterns in migration, human trafficking and forced labour

⁷ Reflected by height for age

Northern Shan State comprises the districts of Lashio, Kyaukme, Mongmit, Muse, Launkkaing, Hopang and Matman with over 2.5 million inhabitants⁸ and is more densely populated than Kachin. Rice and maize are the major cereals produced during the monsoon season. Rice and maize are grown by nearly one in three households, vegetables by one in five, and pulses by one in ten households. Tea is also an important perennial crop and is grown by 9% of the households.

Smallholder Agriculture

Approximately 900,000 acres (36,4200 ha) are cultivated by smallholders in Kachin. Depending on access to flat land and mountain slopes, villagers combine intensive paddy cultivation (generally a single monsoon crop) alternating with pulses, mustard, and peanuts; and the use of some form of slash and burn cultivation on sloping land.

Kachin ethnic groups in general have their own customary system for managing community, residential and cultivated lands. Most land is under customary land tenure arrangements, as formal registration has progressed only in the vicinity of main townships. Land tenure has significant social and cultural significance and is a key source of identity for most communities although this is coming under increasing pressure⁹.

While traditional agriculture remains the mainstay of the rural economy of Kachin and Northern Shan, there is a growing trend towards commercial development especially near townships, in areas in close proximity to Chinese markets and in contact with growing agribusiness estates. This process is viewed as a mixed blessing for smallholder farmers, due not only to the land conflicts arising, but also to access relatively inexpensive imported agricultural inputs (sometimes of dubious quality) to increase yields, but also production costs, causing indebtedness, soil erosion through inappropriate land practices and the incorrect use of crop protection products. This is seen as a threat to the comparative advantage of these regions in providing a diversified diet and to supply markets with upland products which are nutritious, natural, healthy and ecologically safe.

There is still limited access to formal agricultural finance, and most agricultural value chains for smallholder cash crops are poorly developed, with limited capacities for storage and post-harvest value adding. In the context of accelerated incorporation into market economies, competitiveness of smallholder farming remains limited, and the trend towards urbanization linked to multiple threats to traditional livelihoods is attracting rural youth to abandon agricultural livelihoods. The specific security challenges related to conflict, exposure to land grabbing, as well as unregulated mineral exploitation, combine to reduce the attractiveness of agricultural livelihoods for youth.

Community forestry and non-timber forest products (NTFP)

Kachin State covers 22% of the Ayeyarwaddy Basin but almost 50% of water produced in the basin comes from Kachin. The State's forests therefore play a significant role in regulating water across the entire basin. They also play an important role in Kachin rural livelihoods. Kachin State's heavily forested and swidden landscape has been demarcated into approximately a million acres (404,685 ha) of protected forest under the Permanent Forest Estate, which is 42% of the total land area of the State. However, a large portion of the forest in Kachin State is classified as degraded and much of this degradation has

⁸ 2014. Myanmar Population and Housing Census. <http://themimu.info/census-data>

⁹ Watanabe K. et al. 2007. Field survey and collection of traditionally grown crops in northeast areas of Myanmar Ann. Rep. Exp. Intr. Plant Gen. Res. Vol. 23: 161175, 2007 [www.gene.affrc.go.jp/pdf/publications/plant-exp_2006\(23\)_p161.pdf](http://www.gene.affrc.go.jp/pdf/publications/plant-exp_2006(23)_p161.pdf)

occurred in recent decades. The main cause of recent degradation is the massive scale of illegal logging, along with land clearance for agri-business. The forests produce teak and hardwood for the industry, as well as charcoal, bamboo, rattan and resin. Many households supplement their income with non-timber forest products (NTFP) which seem to play a particularly important role in the household economy in shifting agriculture areas.¹⁰

Community forests are increasingly used as a formal mechanism to protect villagers' access to forest resources; the Ministry of Natural Resources and Environmental Conservation (MONREC) has been promoting and supporting the creation of Community Forest User Groups under the new Community Forest Instruction and several NGOs are providing support to the mechanism in Kachin and Northern Shan.

Internally displaced persons (IDPs) and agriculture

The breakdown of a 17-year ceasefire in Kachin State, in June 2011 led to the displacement of well over 100,000 civilians. As of January 2018, there were 165 sites for internally displaced persons (IDPs) in Kachin and northern Shan State, with a total of 99,700 IDPs in camps, and an estimated 10,000 in host communities outside camps. By October 2018 data provided to OCHA by the Camp Coordination and Camp Management (CCCM) Cluster indicated a total of 58,698 IDPs in 121 sites in government-controlled areas, plus 37,909 in sites in disputed areas and EAO-controlled areas¹¹. There are reports of at least a further 15,000 Kachin IDPs in northern Shan State.

To date, the co-existence of IDPs and host communities has been generally amicable and supportive. However, as the period of displacement continues without signs of abating, competition and sharing of limited resource has become a contentious issue. Access and sharing of often-limited resources such as water and/or firewood has become a critical issue, and one that risks straining relationships, especially as funding and assistance for humanitarian support is withdrawn. The protracted presence of IDPs has also placed significant stress on host communities and their own limited resources, because of land allocation for housing and infrastructure for IDPs, and IDPs foraging and cultivating outside their camps.

The large majority of IDPs previously relied on agriculture. Many now rely on daily labour opportunities (agricultural, construction, food businesses, etc.) in host communities, a limited number have been able to establish small businesses, such as grocery shops within camps. An increasing number of youths are working in mines in other parts of Kachin State, becoming involved in the drug trade, or travelling to China temporarily to work as daily labourers¹².

Some IDPs have been able to temporarily access their land in their places of origin, however this access is generally risky. Further, in some areas IDPs have been able to rent land (sometimes with the help of NGOs), but these opportunities remain limited. Agricultural activities such as kitchen gardens (partly to improve dietary diversity) are supported by CSOs and NGOs, along with vocational training coupled with

¹⁰ Foppes J. et al. 2011. Market Research and Enterprise Development for Community Forestry (CF) in Myanmar Consultancy Report for Pyoe Pin.

¹¹ OCHA: MYANMAR: IDP Sites in Kachin State (as of 31 October 2018)

¹² HARP 2018 Kachin and Northern Shan State Context and Vulnerability Review October 2018. Report commissioned by the HARP Facility funded by DFID

Conditional Cash Grants (CCG) based on simple business proposals such as pig raising, sewing/weaving, amber polishing, snack production, etc.

Local NGOs have begun several programmes to address the lack of livelihoods, including skills training in carpentry, mechanics, and sewing, establishing standing gardens (stacked in bamboo shelves that take up less space), and greenhouse projects that can supplement, if not fulfil, food needs. Other smaller projects are teaching IDPs basket weaving, soap and wine making. These efforts are, at times, promising but have been unable to reach the scale needed to fill the significant gap in livelihood opportunities¹³.

While most IDPs would like to return to their land, this is impossible for many areas due to the continuing armed conflict and the presence of armed actors and landmines. Landmine contamination remains a serious concern, with high numbers of casualties from land mines and unexploded ordnance (UXOs).

Agribusiness

The predominant export market is China via border trade. Kachin and the border areas of Northern Shan are considered as an “agribusiness frontier” areas. An estimated 918,000 acres (371,501 ha) have been allocated to large-scale commercial farming enterprises (i.e. banana and rubber plantations for export to China). Rubber concessions have swept across landscapes that were formerly shifting agriculture areas; while rubber in other regions follows a smallholder model approach mostly embedded in Chinese rubber markets with Chinese middlemen, rubber development in northern Myanmar follows a private large-scale concessionary model mostly financed by Chinese investment from China’s national opium substitution programme¹⁴.

Agri-business development appears to have a largely negative impact on smallholders’ livelihoods, as it is providing off-farm employment mostly to town people or internal migrants predominantly from Rakhine and the Central Dry Zone, with no economic benefit for neighbouring villagers, notwithstanding the land issues. A significant proportion of these lands are subject to contestation between communities, the government and ethnic armed organizations (EAOs)¹⁵. The key issues are rooted in the slash and burn/shifting agriculture practices which demand large areas of fallow land, normally under customary tenure without any formal property rights. MOALI lists Kachin State as having over 2.5 million acres (1.01 million ha) of “vacant, fallow, virgin or wasteland,” of which 430,000 acres (174,000 ha) have been earmarked as suitable for agribusiness production. Much of these “wastelands” cover forested areas or degraded forests of which many are claimed, if not always actively used by local communities due to the prevailing security challenges.

Land tenure issues are particularly acute in Kachin and linked to large-scale population displacement. The majority of IDPs owned land through (mainly) customary tenure or informal purchase. Few people in rural areas have proper land documentation, and it is near impossible to obtain documentation for conflict affected areas. Many of those engaged in customary farming, or who have lost their documentation during their flight, as well as non-displaced civilians remaining in conflict-affected areas, are facing serious challenges in securing and maintaining their rights to their ancestral lands.

¹³ Suffering in Shadows: Aid Restrictions and Reductions Endanger Displaced Person in Northern Myanmar, refugees International field report, December 2017

¹⁴ Woods Kevin 2012 The Political Ecology of Rubber Production in Myanmar: An Overview

¹⁵ Ton Peter 2018 Metta Uplands project Uplands Food Security and Participation in Markets (UFS-PM) (Kachin and Shan States, Myanmar) Mid-Term Review. LIFT 2018

Farmers and IDPs tend to have limited knowledge of national laws and little capacity to engage the national authorities. Small-scale appropriation of IDPs' land is also reported, through individual armed actors or inter-communal land appropriation of one family's land by another¹⁶. Clear mechanisms to address disputes are often lacking and enforcement is *ad hoc*. In some areas local authorities have intended to support IDP land rights, while in others IDPs have effectively lost their ability to assert any land rights they may have due to restrictions of access. These restrictions make it difficult for IDPs to monitor what is happening to their land or to be consulted in village-level governance structures or as part of land surveying carried out in relation to land acquisitions. The situation makes it easier for external actors to appropriate IDP land without any accountability to the IDPs themselves.

Land issues and conflict

Land issues are linked to the development of large-scale agribusiness land allocations. Agribusiness development in Kachin State evolved in relation with neighbouring China. Chinese business interests in mining, timber, large-scale hydropower dams, and agricultural commodities have greatly influenced the economy. Agribusiness concessions are potentially profitable due to financial support from Chinese government programs, such as the opium substitution program, and short-distance to regional and global agricultural commodity markets across the China border¹⁷. Rubber, rice, corn, watermelon, and banana investments are supported by subsidies and tax-free import quotas under China's national opium substitution program. Some land conflicts are also reported in the case of sugarcane plantations in Northern Shan¹⁸.

In 2012-2013, the national agriculture ministry in Naypyidaw recorded nearly 1.4 million acres (566,500 ha) of agricultural concessions awarded in Kachin State alone (27% of the national total), but less than 175,000 acres (70,800 ha) have actually been planted, or just 12% of total concession area. There were over 200,000 acres (80,900 ha) in Shan State.

Nutrition

High rates of stunting, is an indication of a deficient environment¹⁹ with poor nutritional intake, inadequate access and availability of a diverse diet, poor maternal nutrition, repeated infection and inadequate psycho-social stimulation during the first 1000 days as some of the drivers of suboptimal growth.

Diet adequacy during the first 1000 days, for pregnant and breastfeeding women, adolescent girls and the wider population is challenging to achieve within IDPs and host communities in Kachin and Northern Shan as a result of poverty, a lack of income, rapid price rises and limited access to markets. Only 20% of children in Kachin aged 6-23 months received a diet that was adequate in both diversity and

¹⁶ KBC, Metta Foundation et al. 2018: Displaced and dispossessed: Conflict-affected communities and their land of origin in Kachin State, Myanmar. Published by Oxfam-Trocaire

¹⁷ Woods Kevin 2015. Commercial Agriculture Expansion in Myanmar: Links to Deforestation, Conversion Timber, and Land Conflicts. Forest Trends, UKAid 2015

¹⁸ LIOH 2015 Destroying People's Lives: The Impact of Land Grabbing on communities in Myanmar @ Land in Our Hands Network December 2015

¹⁹ Jef L Leroy, Edward A Frongillo, Perspective: What Does Stunting Really Mean? A Critical Review of the Evidence, *Advances in Nutrition*, Volume 10, Issue 2, March 2019, Pages 196–204

frequency. Reducing meal size and frequency is a coping strategy that is used by between 10-15% of households in both IDP and host communities²⁰.

An Infant and Young Child Feeding assessment carried out by Plan in 2015²¹ identified poor infant feeding practices and poor access to health and information services as major drivers of poor nutrition outcomes observed. Despite almost all (97%) of mothers starting to breastfeed, only 40% of babies under 6 months were found to be exclusively breastfed (DHS 2015/16 found 51.2%) and only 21% until 2 years as per the international recommendations.

In IDP camps which have been exposed to nutrition related interventions there are reports of high knowledge but converting that into practices is hampered by lack money and no opportunity to purchase the diverse foods recommended. IDP's report facing intimidation and discrimination when trying to move freely to access markets outside the camp and the flow of goods into the camps is also restricted.

According to the Durable Peace Programme end-line survey, nutritional diversity has decreased with non-IDPs needing to borrow food more often while more IDPs report having to reduce the size and number of their meals as well as borrow food²². Nutritious food was listed as the third, after clean water and electricity, when women were asked to prioritize their concerns²³.

Supporting women's empowerment and addressing women's time use, workload and control over income are key pathways as to how agriculture interventions can support positive impacts on nutrition outcomes. Women's participation in decision making and management within IDP settings is limited and although there is some representation on the camp management committees it is reported as mainly the men who lead decision making.

In NGCA camps 16% of women reported having volunteer jobs. Income generation activities are generally casual, daily labour on nearby banana, sugarcane, coffee or corn plantations which are seasonal and unpredictable, in host communities around 14% of women are employed in agriculture sector compared to 6% in NGCA and 7% in GCA camps.

2.2 Interventions

The LIFT Kachin – Northern Shan State Programme aims at contributing to the LIFT 2019-2023 strategic outcomes that include:

- *Improved nutrition status, particularly of women and children in remote communities;*
- *Increased household income and assets, through improved inclusion in agricultural value chain and labour markets, with greater control by women;*
- *Reduced vulnerability of households and individuals to shocks, stresses and risks by diversification of income and food security sources and improved management of key natural resources.*

²⁰ Durable Peace Programme, Myanmar, 2018

²¹ ProPAN Assessment of Infant and Young Child Feeding Practices in IDP Camps in Kachin State January 2015, Plan Myanmar

²² Durable Peace Programme, Myanmar, 2018

²³ Women's needs assessment in IDP camps in Kachin State, GEN, 2013.

The focus of the LIFT Kachin – Northern Shan Programme²⁴ is on reducing poverty and vulnerability of IDPs and host communities affected by conflict in Kachin and Northern Shan States. LIFT supports a humanitarian to development transition by backing durable solutions in support of longer-term economic development and nutrition. In the design of projects, strong consideration of conflict sensitivity, social cohesion and advances in nutritional status of women and children, gender equality and women’s empowerment is critical. Further, interventions should be designed to provide equitable opportunities to women, men, youth and people with disability. The programme prioritises five main components:

- 1) Improved nutritional status, particularly of women and children, in both camps and host communities
- 2) Enhanced opportunities for skills development and job matching services for IDPs in camps and all members of host communities
- 3) Safe migration and anti-trafficking support, particularly for women and girls being trafficked for forced marriage
- 4) Restoration of agricultural livelihoods with improved inclusion in effective value chains providing increasing and stable incomes for IDPs, host communities and returnees.
- 5) Equitable and safe land access and tenure rights

The Kachin – Northern Shan Agriculture, Markets and Food Systems Theme will address Components 1 and 4 in this call. It will target specific beneficiary groups among the most vulnerable communities:

- IDPs and returnees likely to engage in profitable agricultural livelihoods;
- Host rural communities with potential to integrate promising agricultural value chains.

The focus of this call will be on:

Support to nutrition-sensitive commercial production in IDP camp areas and/or support of returnees.

The main conditions for such interventions will be the availability of land (returning to original lands) or managed in joint ventures between IDPs and members of host communities. Intensive production of horticultural crops, small livestock and other nutritious intensive crops will be developed in connection with markets, pursuing the double objective of generating incomes and increasing local availability of essential and nutritional food items. Commercial production of nutritive food crops can be linked to the continued demand of food aid programmes in IDP camps as well as providing local Township markets. Modalities will be introduced to ensure that key food items are made available to IDP camps at affordable prices, while key cash crops/livestock will ensure incomes both through benefit sharing between farmers and employment of IDPs in agricultural labour. Intensive commercial production may also be used for training future returnees. Local sellers and market stakeholders should be involved from the start, and cash crop choices carefully considered based on market assessment and consideration of their nutritional value. It should be noted that the intervention should contribute to the ADS and its contribution to the MS-NPAN of the GoM.

A series of key intervention principles are transversal to all interventions that may be proposed:

²⁴ Nutrition and decent work programmes benefitting vulnerable households in IDP camps and host communities in Kachin and northern Shan States. <https://www.lift-fund.org/sites/lift-fund.org/files/uploads/Uplands/LIFT%20Nutrition%20and%20Decent%20Work%20Kachin%20and%20Northern%20Shan%20Call%20for%20Proposals%20Nov%202018.pdf>

- Empowerment and inclusion of women will be of foremost importance in the context, and will be the object of attention for increased empowerment in terms of access to resources, production and marketing investments and community organization, with concrete actions and measurable outcomes.
- Complementarity between income generation and nutrition sensitive interventions: There is no clear boundary between commercial production and subsistence when food crops are concerned. Nutrition-sensitive approaches mean also understanding the social and economic dynamics that support complementarity between commercial production and self-consumption.
- Proposals should be focused on interventions likely to achieve concrete results on the ground, both from technical and institutional aspects, with the potential for replication and scaling up.
- Climate smart agriculture will be an inherent ingredient of all technological investment options, both for intensification and sustainable production systems.
- The inclusion of a strong social and behavior change communication (SBCC) intervention to promote optimal diets and child feeding practices, and a focus on improving women’s status and empowerment through agriculture are consistently reported as key to enhancing the potential impacts of agriculture on diets and other nutrition outcomes.

It should be noted that a minimum allocation of 20% of the budget (including management costs), should explicitly target gender-specific actions and associated research question. For example, this may include but not limited to, high quality gender-and-nutrition analysis; the design and delivery of a gender module within an SBCC initiative; women-targeted nutrition-sensitive agricultural-livelihood activities (e.g., marketing of eggs); introduction of labour-saving technology targeting women’s work etc.

Applicants are encouraged to review the TECHNICAL BRIEF: The Potential of Nutrition Sensitive Agriculture in Post-2018 LIFT Programming that can be found [here](#). It is highly desirable that applicants provide a comprehensive Theory of Change (TOC) that is based around the seven pathways that link agriculture and nutrition articulated within the aforementioned document (pg. 2 and 3) ensuring that Women’s Empowerment is adequately addressed.

2.3 Target groups and geographical distribution

The proposed actions should be located in Kachin and Northern Shan. Proposals are particularly encouraged that target women, ethnic minorities, people with disabilities and other groups facing discrimination. In presenting the scope for proposed interventions, the potential for scaling up and replication of results must be discussed and based on solid assumptions. This should also include a robust exit strategy that would support the aforementioned.

3. Data collection

Proposals must demonstrate a firm commitment to disaggregated data collection, particularly by sex, age, and poverty status, to allow the projects and programme to be analysed in line with the requirements in LIFT’s Monitoring, Evaluation, Accountability and Learning (MEAL) framework that can be found [here](#).

LIFT new logical framework for 2019-2023 has been finalized and can be found [here](#). Methodologies will need to be developed during the inception phase of projects to obtain valid data for measurement of the relevant indicators. Training and technical support will be offered to LIFT implementing partners to build their MEAL capacity if required.

4. Partnerships

Partnership quality will be a key consideration during the evaluation of the proposals. Applicants should demonstrate that their organisation and any proposed partners have relevant expertise. Engagement

with the private, EAO and public sectors is encouraged to ensure sustainability beyond the life of the project. Applicants will need to review the conflict sensitivity principals described in the LIFT [here](#) in the proposal development and strictly adhere to them in the implementation phase.

It is fundamental at the proposal stage that all partners involved in the project are aware of the proposal, its content and their specific responsibilities and agree on an initial agreement (financial and technical). Please also take into consideration that according to LIFT's Operational Guidelines, applicants are expected to share indirect costs with their sub-partners.

LIFT will favour partners who can demonstrate sufficient contextual understanding, including of the local institutional structure and key government, ethnic organizations and civil society stakeholders. Identified partners should have already built trusted relationships with relevant local stakeholders and have interventions that are supportive of local institutions, whether formal or informal. Gender-sensitivity of the partner organisations is desirable regarding both their organisational policy and their operational approach.

5. Funding allocation

The provisional allocation for LIFT's work to support this initiative is a maximum of USD 2 million.

6. Requirements for proposal submission

Key documents shared as part of this document for the preparation of submissions are:

- a) Annex 1: Format and requirements for proposals
- b) Annex 2: Evaluation criteria to be used by the evaluation committee
- c) Annex 3: Guidelines on gender sensitivity for proposals
- d) Annex 4: Guidelines on Value for Money
- e) Annex 5: Programme Design Document.

Please note the following requirements for submissions:

- Proposals must be prepared in the English language according to the format requirement presented in Annex 1.
- Proposals must include a technical proposal and a financial proposal.
- Proposals must be received by email at the following address: lift.proposals.mmoh@unops.org on the date and time indicated below. Please do not submit your proposal to any email address other than the email address provided above or your proposal may be at risk of not being considered. The size of individual e-mails, including e-mail text and attachments, must not exceed 5 MB.

Please note that the cost of preparing a proposal and of negotiating a grant agreement, including any related travel, is not reimbursable, nor can it be included as a direct cost of the assignment.

Clarifications: Any requests for clarification should be sent to lift@unops.org Clarifications will be provided on the LIFT website: <http://lift-fund.org/> and the UN Global Marketplace website: <https://www.ungm.org/Public/Notice>

Also note that successful applicants will be expected to conform to LIFT's Operational Guidelines, which are available at <http://www.lift-fund.org/guidelines>. The guidelines specify LIFT's rules in relation to *inter alia* reporting, procurement, asset management, record management and visibility.

7. Proposal appraisal and selection procedures

An Evaluation Committee will complete a technical, financial and organisational capacity assessment of each proposal. As a part of its appraisal process, LIFT may elect to discuss technical, costs, or other aspects of the proposals with applicants. The selection of the proposals is carried out through two stages:

1. Appraisal by the evaluation committee:

The Evaluation Committee will appraise each proposal using all the criteria listed in this section. Proposals that do not align sufficiently with the LIFT strategy, the LIFT Gender Strategy and the thematic requirements of this call, or which have shortcomings regarding the criteria outlined in this section, will be rejected. The full appraisal of the shortlisted proposals is submitted to the LIFT Fund Board with recommendations.

2. LIFT Fund Board review

The Fund Board will review the appraisals and provide its recommendations for endorsement and conditions of endorsement.

The endorsement of the proposal by the Fund Board is not a guarantee to receive funding until the conditions attached to the endorsement have been fulfilled and the Grant Support Agreement (GSA) is signed. LIFT reserves the right to reject a proposal after Fund Board approval if it cannot reach an agreement with the applicant for contracting. The Fund Board will be informed and have the opportunity to make suggestions to the process. Unsuccessful applications will not be returned to the applicant.

Successful proposals will be implemented under a Grant Support Agreement for NGOs and inter-agency agreements with UN organizations with UNOPS as the LIFT Fund Manager. Please refer to the LIFT website for the template including the general terms and conditions (<https://www.lift-fund.org/guidelines>). The expected contract duration is **for a maximum of three years**.

8. Schedule of Events

The dates provided below are only indicative. The Evaluation Committee may follow a quicker or a longer timeframe for the appraisal of the proposals.

Event	Date
Call for proposals release date	7 th October 2019
Deadline for receipt of written inquiries	18 th October 2019
Written responses distributed	1 st November 2019
Proposal due date	25 th November 2019 13:00 (Myanmar local time)
Grant agreement negotiation / contracting	March 2020

ANNEX 1: Format and requirements for the proposal submission

The proposal must be complete and conform to the formal requirements presented below.

Submissions must be made both electronically and in hard copy as outlined in the main part of this call for proposals.

Electronic submissions must not exceed 5MB in size.

The proposal must not exceed 25 pages (12 point Calibri Font and a minimum of 1 inch margins all around). Pages should be numbered. The proposal may include annexes with additional details regarding approach, methodologies, references, maps, etc. Annexes must not exceed 30 pages.

LIFT will consider only applications conforming to the above format and page limitations. Any other information submitted will not be evaluated.

Applicants should include all information that they consider necessary for LIFT to adequately understand and evaluate the project being proposed. The remainder of this section describes the information that LIFT considers necessary for all applications. There is no obligation to follow the order of the sections below, and the applicants are encouraged to make their proposal reader friendly and to avoid repetition.

Proposals must consist of the following:

Title page

Project title, name and contact of the applicant, partners, geographical area, expected project duration, start and finish dates and total budget. Note that the title page is *not* counted in the proposal page limitation.

Preamble

Include a table of contents, a list of abbreviations, a map and an executive summary. Note that these pages are *not* counted in the proposal page limitation.

Project background and rationale

Outline the origin of the concept, problem definition/rationale and context for the project. Outline how the proposed project aligns with the LIFT strategy (available on LIFT website www.lift-fund.org) and the thematic components of this call and explain how lessons from previous experiences and studies inform the design of the project.

Explain how the project aligns with the development plans/priorities of the Government of Myanmar (if not, why not), and other development partners working in the same field and/or area. Identify any gaps in the available knowledge.

Outline the results of key discussions which have taken place in preparation of the proposal, including:

- Who was consulted (e.g. other development partners, government departments, NGOs, the private sector etc.);
- any issues raised pertinent to the project's rationale and design approach; and
- a summary of the views of other key stakeholders.

Target area and stakeholder analysis

This section describes the targeted geographical areas of the project and number of direct and indirect beneficiaries (disaggregated by sex). The distinction between direct and indirect beneficiaries must be clear.

A *project stakeholder analysis* will be included to review the key direct and indirect beneficiaries, and the organisations and individuals involved and who have an interest - along with any vested interests they may have. The following are also important:

- A clear description of how the project will cooperate with government, private and non-state actors;
- a description of the role of all local institutions involved and any support or intention to establish new institutions clearly detailed and justified; and
- where new or improved institutional arrangements are to be enduring, explanation should be provided on the sustainability provisions included.

Project Theory of Change

A clear Theory of Change (TOC) must be presented in diagrammatic form and explained in a narrative. An actor-centred TOC is most suitable and preferred with a specific statement of what the project will accomplish and what the key results are in terms of project level outcomes and outputs in a summary form.

Outcomes, outputs, activities, technical approach, methodologies and scope

The activity and methodology description needs to be sufficient to identify **what** will be done, **how** it will be done, and **where** it will be done. It should indicate **who** will do what at a broad level to explain stakeholder roles. The structure of the proposal needs to align with the work plan and budget to allow tracking analysis and value for money assessments.

This section must include consideration of relevant cross-cutting issues (gender, nutrition, human rights and the environment). The gender issues the project intends to address should be reflected in the activities and the project TOC.

A work plan is to be presented in graphical (spreadsheet or table, preferably in LIFT template) form and can be attached as an annex. It should indicate the sequence of all major activities and implementation milestones, including targeted beginning and ending months for each step and key deliverables. Provide as much detail as necessary to understand the implementation process. The work plan should align with the TOC and budget and show a logical flow of implementation steps, indicating that all the things that must happen have been carefully thought through from the start to the end of the grant project. It should consider seasonality and/or other major constraints. Please include in the work plan all required milestone reports and monitoring reviews.

Risks and mitigation

Identify and list major risk factors that could result from project activities and/or the project not producing the expected results. These must include both internal/operational factors (e.g. the technology involved fails to work as projected) and external factors (e.g. government policy changes). Outline mitigation strategies and/or how risk will be identified and assessed in the design. Include key assumptions on which the proposal is based.

Cross-cutting issues (gender, nutrition, environment, do-no-harm)

Cross-cutting issues including gender, nutrition, environment, do-no-harm need to be considered in the proposal. The gender issues that the project intends to address must be reflected in the activities

and the project TOC. See Annex 3 for details about inclusion of Gender considerations in the proposal.

Nutrition (especially the reduction of stunting in the age group under 2 years and the 1,000 days programme) is an important cross-cutting issue for LIFT that needs to be included in the project implementation. For more information what LIFT is doing to reduce stunting and improve nutrition see the LIFT website.

Environmental sustainability and integrity is a fundamental goal of LIFT. Interventions may result in changes that may be positive or negative and could either be anticipated or unanticipated. Ensuring that ecosystems services are not compromised through interventions and that resilience is maintained or enhanced is critical. Proposals must consider the impacts of interventions and present strategies to mitigate any negative implications.

The proposal must demonstrate that the proposed interventions do not harm the target group or any other stakeholders to the project. This can be presented in a table or narrative format.

Monitoring and Evaluation for Accountability and Learning (MEAL) management

This section should follow the guidelines provided in LIFT's MEAL guidelines www.lift-fund.org/monitoring-and-evaluation-learning-and-accountability-meal-guidelines-ips-upcoming-proposals. During the inception period all projects need to provide a complete MEAL Framework including three main components: (1) a project Theory of Change; (2) project Evaluation and Learning questions; and (3) a project Measurement Plan.²⁵ For the proposal submission only the project Theory of Change and the Measurement Plan are required.

Projects need to establish an appropriate project baseline and conduct an endline survey to support the final evaluation.

Organisational background of the applying organisations

It must be clearly demonstrated that the proposing organisation or consortium of organisations has the experience, capacity, and commitment to implement the proposed project successfully.

The following should be covered:

- Type of organisation – Is it a community-based organisation, national NGO, international NGO, consortium, research, training institution or private entity?
- Organisational approach (philosophy), purpose and core activities of the organisation, and relevant experience.
- Length of existence and legal status. The applying organisation and partners should have the appropriate authority to carry out the project in Myanmar.
- Expertise mobilised from within and outside the organisation.
- A description of partnerships, how long they have been in place and for what purpose.
- An explanation of previous or existing activities in the target area and what working relationships are in place with government and non-state actors.

Staffing

An overview of the organisational structure of the project should be provided, including the CVs of key personnel (national and international), (e.g. chief of party, project director, senior technical advisor).

²⁵ A measurement plan replaces LIFT's previous use of project logframes and identifies the project outcomes, outputs, indicators, targets, milestones and means of verification. A template is available in the MEAL Guideline, which is on the LIFT website.

How the expertise required for project implementation will be made available should be explained (i.e. from within the organisation, through external consultancy, and partnerships) along with a description of implementation roles. LIFT encourages gender balance in the project team composition.

Partnerships

Explain who the partners are, how they have been identified, what their specific expertise is, what their contribution is to be and how the relationships between the partners will be managed throughout the project. The section should explain what the governance and coordination arrangements are, and how the project will maximise local ownership. The lead applicant should provide a brief assessment of the institutional, organisational and technical capacities of partners and how the project will strengthen their capacities, including:

- Institutional, organisational and technical support to and capacity building for local partners;
- identify budget allocation between partners, including for indirect costs (see below);
- contractual relationships and coordination / decision-making systems; and
- organisational chart including links between partners.

If a partner is not full time on the project, please provide a schedule for their inputs.

The lead applicant should submit in annex to the proposal a letter signed by the proposed partners stating that they have contributed to the project design, are willing to collaborate with the applicant and that they agree to enter into an agreement if the proposal is successful.

Project budget and Value for Money

A realistic budget is an important part of developing and implementing a successful project. The proposal budget should include a detailed breakdown of costs. The budget template available on the LIFT website must be used <https://www.lift-fund.org/budget-initial>. The budget breakdown should clarify the total allocated budget for each component that the project will contribute to. The budget breakdown should align with the TOC and the work plan.

The following important principles should be kept in mind in preparing a project budget:

- Include only costs that directly relate to efficiently carrying out the activities and producing the outputs and outcomes, which are set forth in the proposal. Other associated costs should be funded from other sources. Refer to the LIFT Operational Guidelines on what LIFT can and cannot fund.
- The budget should be realistic.
- The budget should include all costs associated with managing and administering the grant project. In particular, include the cost of gender-sensitive monitoring and evaluation.
- Indirect costs are allowable up to six per cent (6%) of the total direct costs.
- The budget line items in the budget template are general categories intended to assist in thinking through where money will be spent. If a planned expenditure does not appear to fit in any of the standard line item categories, list the item under other costs, and state what the money is to be used for.
- The figures contained in the budget sheet should agree with those on the proposal header and text.
- The budget needs to be accompanied by detailed assumptions on costs (e.g. how many computers are required for how many staff, how per diems are calculated, etc.). The narrative detailed assumptions should not repeat the budget figures but explain your assumptions when calculating the figures in the budget.
- Costs incurred at headquarters outside Myanmar will be only considered in exceptional cases and if directly related to the project.

Financial and technical proposals should be sufficiently linked with the TOC and work plan to conduct value-for-money (VfM) assessments of the project during implementation. A lot of the value-for-money assessments during the implementation will depend on realistic planning and well managed implementation.

Proposals that demonstrate that LIFT's funds will leverage other funds, as well as proposals that demonstrate multiplier effects or clear progress towards financial sustainability, are encouraged.

For more guidance on Value for Money see Annex 4.

ANNEX 2: Evaluation criteria

An Evaluation Committee (EC) will appraise applications in accordance with the selection criteria identified below. Applicants should note that these criteria serve to a) identify the significant issues that applicants should address in their applications; and b) to set standards against which all applications will be evaluated. If there are ambiguities/unclear explanations, or further need for details, the LIFT evaluation committee will seek clarification from the submitting organisation if the proposal otherwise meets the main criteria.

The evaluation committee will assess the following questions to justify their final appraisal:

- **Completeness:** Is the information provided in the proposal complete and sufficient for the appraisal?
- **Relevance:** Is the problem definition and rationale for the project clear and does it address a critical issue relevant to LIFT strategy?
- **Context analysis:** Is the project based on a good understanding of the context in the respective project site?
- **Stakeholder analysis:** Is there a stakeholder analysis and a clear definition of target groups? To what extent is participation of, and ownership by, key stakeholders in planning and design evident? Is it clear how the project will work with the government, non-state actors and the private sector?
- **Coherence of the design:** Is there clear outcome logic? Are the project's expected results well defined and aligned with the identified problem/needs?
- **Approach and methods:** Is the project approach and methodology innovative, feasible and appropriate? Are the methodologies based on previous experience and evidence-based knowledge? Is the idea technically feasible and likely to achieve the stated results? Does it embody good development practice and lessons?
- **Operating principles:** Is the proposed project in line with the LIFT Operating and MEAL Guidelines? How specifically does the project propose to monitor continuous alignment with the principles?
- **Sustainability:** Does the project demonstrate a good case for sustainability of the proposed outcomes and impacts beyond the funding period? Has an exit strategy been considered?
- **Cross cutting issues:** Are relevant gender, nutrition, migration, and environment issues considered?
- **Gender sensitivity:** Does the proposal demonstrate awareness and understanding of concrete gender related/gender specific challenges in the project context? To what extent does the proposal strive to include women as both, equal participants and as equal beneficiaries? To what extent does the proposal plan to contribute to greater gender equality and women's empowerment? What concrete measures are proposed to address gender issues? Is gender equality/women's empowerment reflected in the proposal's TOC? Does the project plan to conduct a gender analysis at the beginning of project? Will the project collect sex-disaggregated data? Are gender-sensitive and/or gender-specific criteria integrated in monitoring and reporting systems? Refer to Annex 1 for specific guidelines and evaluation criteria for gender sensitivity. See Annex 3 for more guidance.
- **Risks:** Has the proposal sufficiently considered major internal and external risks and indicated risk mitigation measures to be developed?
- **Monitoring and evaluation for accountability and learning:** Is a TOC and measurement framework provided and are they appropriate to the type and scale of the project?
- **Learning and policy dialogue:** Does the project give scope to contribute to evidence-based knowledge and policy dialogue?
- **Capacity:** Does the proposed implementing organisation and its partners have the necessary technical expertise, experience and capacity to implement the project?

- **Partnership:** What partnerships are foreseen in the proposal? Is the partnership built on long-term trust relationships? Is the governance and coordination system between stakeholders and partners appropriate? Is the role and involvement of the sub-partners clear and sound? Are the local partners likely to increase institutional, organisational and technical capacities through project implementation?

Partnership quality will be a key consideration during the evaluation of the proposals. Applicants should demonstrate that their organisation and proposed partners have relevant expertise. It is fundamental at proposal stage that all partners involved in the project are aware of the proposal, its content and their specific responsibilities and agree on an initial agreement (financial and technical). Please also take into consideration that according to the LIFT Operational Guidelines applicants are expected to share indirect costs with their sub-partners. LIFT will favour partners that can demonstrate sufficient contextual understanding, including of the local institutional structure and key government, non-state armed groups and civil society stakeholders. Gender-sensitivity of the partner organisations is desirable regarding both their organisational policy and their operational approach.

- **Budget:** Does the budget demonstrate value-for-money for the project, in particular in relation to the expected results? Is it adequate to deliver the outputs? Is there a sufficient budget dedicated to M&E, learning and capacity building? Is the budget aligned with the work plan and the TOC? Do local partners receive their share of the indirect costs? See Annex 4 for VfM guidance.

ANNEX 3: Guidelines on gender sensitivity

1. Why do LIFT's proposals have to be gender sensitive?

LIFT is strongly committed to contributing to greater gender equality and women's empowerment through all its projects and programmes. LIFT strives to achieve the following four outcomes related to gender:

- Increased understanding of gender dynamics in the project communities;
- Increases in women's access to, and control over, resources;
- increases in women's participation in decision-making;
- increases in women's knowledge and skills; and
- improved focus on gender within livelihood and food security policies.²⁶

An important step to achieving these goals is to ensure gender sensitivity is considered in the formulation and planning of projects.

2. What does gender sensitivity mean for LIFT?

Gender sensitivity means that in each action and process, gender norms and roles, and the impact gender has on access to, and control over, resources are considered and addressed. Suggested guiding questions for assessing gender sensitivity are:

- **How does the proposal attempt to address existing gender inequalities?**
- **How does the proposal strive to include women as both equal participants and as equal beneficiaries of the planned interventions?**

Projects should not only propose equal numeric participation by gender but also strive for participation of equal quality. The latter is more difficult to assess than merely counting the number of women and men beneficiaries, and often requires specific supportive actions to empower women.

3. Where do LIFT's proposals have to be gender sensitive?

Gender sensitivity should be woven into all stages of projects and programmes. Every project proposal includes a mandatory section on gender where the project is required to answer the question: "*How is gender considered in the project...?*" Here, the proposal outlines the gender sensitivity, and the alignment with LIFT's gender strategy and how the proposed intervention contributes to LIFT's four gender programme outcomes stated above.

Gender must also appear explicitly in the project's TOC to reflect gender-related goals and outcomes of the project.

4. What portion of the project budget must be allocated to gender equality and women's empowerment activities?

Gender budgeting forms an integral part of LIFT's gender equality and women's empowerment strategy. **Proposals must commit at least 20% of the programme costs** to activities which contribute to the achievement of these objectives. Reporting on specific activities and expenditure in relation to this target will need to be included in semi-annual and annual progress reports.

²⁶ LIFT's Gender Strategy https://www.lift-fund.org/sites/lift-fund.org/files/uploads/Guidelines/LIFTGenderStrategy_Jan2017_FINAL.pdf

ANNEX 4: Guidance on Value for Money

The evaluation committee will use the criteria below to assess whether the proposal considered Value for Money (VfM) in its approach (e.g. benchmark costs, efficiency, alternative approaches), how the proposal represents VfM and whether it is set-up to make the assessment. If a submitting organisations considered some of the elements as not applicable, it should be noted and an explanation should be included.

VfM Description	<p>The project proposal describes how it aims to achieve or represents VfM or what the expected returns on investment are (overall or for specific project components).</p> <p><i>For example, will the project conduct cost-benefit analysis, will there be transparent procurement procedures in place, has any/credible benchmarking or cost-effectiveness data been presented to make the case for the project?</i></p>
Alternative approaches	<p>The project approach offers better VfM compared to other approaches (consider benchmarks where possible).</p> <p><i>Are alternative approaches offered or clear justifications outlined why specific approaches are selected? Have the expected results and financial costs of alternative approaches been considered?</i></p>
Robust design	<p>The project outlines a well-thought out design to achieve the project objectives.</p> <p><i>For example, this may include a thorough analysis of the project context and strategies for effective delivery, innovative approaches for promoting uptake or dissemination, promising technologies or delivery models, etc. What are the key aspects of the design that warranted the project's selection?</i></p>
Budget Alignment	<p>The project budget and outputs are aligned to allow easy VfM outreach/outcome assessment.</p> <p><i>Budget templates should be designed in a manner that enables proper alignment to the programme components on the basis of which standard VfM calculations will be performed (e.g. by 'programme outcome'). Is the budget presented to a level of detail that will allow expenditure monitoring by component, if desired?</i></p>
Data collection (M&E)	<p>The project M&E system (indicators and data collection plans) is set up to allow for assessment of VfM against the LIFT logframe and the regional and project TOCs/results frameworks.</p> <p><i>Is it possible to determine the budgeted costs of the outputs and the activities that contribute to outputs? Does the project define data collection plans and have measurable indicators that allow for VfM assessments of outcomes? Is it possible to determine the budgeted costs of the outputs and the activities that contribute to outputs?</i></p>
Long-term benefits	<p>The project is likely to be sustainable, replicable and/or scalable (or to have significant impact on policy).</p> <p><i>Does the proposal make reference to these factors in the design. For example, are cost-recovery mechanisms in place, do they have adequate documentation processes outlined for possible replication, do they have a plan for influencing policy and are the associated interventions well-designed and likely to succeed? Projects that are sustainable (e.g. activities continue once funding ceases) will continue to generate benefits even though they may not be captured in a VfM assessment. Similarly, projects that are replicable or scalable will also have the potential to generate greater benefits if they inform the design of other projects are able to have a wider reach.</i></p>

**LIFT AGRICULTURE, FOOD SYSTEMS AND
MARKETS SUBPROGRAMME FOR KACHIN
AND NORTHERN SHAN
2019-2023**

Programme Design Document

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1 Agricultural development context and challenges in Kachin and Northern Shan

1.1 Introduction

Kachin State and Northern Shan State are rich in natural resources (land, water, forests and mineral resource in addition to vast areas of productive agricultural and agro-forestry land) which offer significant opportunities for development but also fuel the conflicts which undermine local development. The history of intensive, long-standing conflict between the Government of Myanmar and Ethnic Armed Organisations (EAOs), as well as among EAOs and the presence of a multitude of militias, coupled with large scale illegal production of opium and heroin as well as other illegal activities (illegal jade, gold and amber mining²⁷, logging, gambling, smuggling), have adversely affected socio-economic development. Kachin and Northern Shan have higher than average poverty levels (28.6 per cent in Kachin and 37.4 per cent in Shan compared to the national level of 25.6 per cent)²⁸. Further, due to the ongoing conflicts, Kachin State has the highest number of townships that can be accessed only with prior permission from the government with vast areas of land unreachable by public services.

In Kachin State, 36 per cent of children under five years old are stunted, an indicator of chronic undernutrition. The figure is considered to be high by the World Health Organization (WHO). In northern Shan State, where the prevalence of stunting is 47.6 per cent this is classified as an emergency.²⁹

Older data from Myanmar Multiple Indicator Cluster Survey 2009 - 2010³⁰ indicate that in Kachin, 13% of sampled children were below -2SD (standard deviation) in terms of weight for age, and 2.4% below -3SD; in height for age the percentages are 36.6% below -2SD and 10.7% below -3SD. More recent sampling³¹ indicates higher figures for weight for age (17.3%, 4.3%) and similar ones for height for age (36.1%, 10.6%). The data are also more alarming for Northern Shan, with respectively 24.1% and 8% for weight for age, and 46.9% and 21.3% for height for age. There are no segregated data for Northern Shan in the MDHS 2015-2016.

Most people (65%) live in rural areas where according to the 2014 Population Census, there were just over one million rural inhabitants or about 200,000 farm households, giving an average farm size of four to five acres, although a median farm size is closer to three acres. Kachin's agriculture is much less intensively developed than in the Ayeyarwady basin regions, but the state produces considerable quantities of rice, corn, groundnuts, pulses and beans, sugarcane and vegetables. The main crop in Kachin state is rice paddy (180,000 hectares in 2017/18 according to MoALI figures). Other crops including corn (27,000 ha), and recently introduced peanuts, fruits (i.e. banana plantations), vegetables and rubber are providing commercial opportunities for investment, but outside some contract farming initiatives, little benefit for smallholders beyond some limited employment (migrant labour is often

²⁷ Assessment of Mining Extent and Expansion in Myanmar Based on Freely-Available Satellite Imagery Remote Sens. 2016, 8, 912; doi:10.3390/rs8110912

²⁸ MIMU website, accessed in October 2018

²⁹ LIFT 2018 : LIFT Call for Proposals Nutrition and decent work programmes benefitting vulnerable households in IDP camps and host communities in Kachin and northern Shan States

³⁰ Myanmar Multiple Indicator Cluster Survey 2009 – 2010. Ministry of National Planning and Economic Development Ministry of Health, UNICEF

³¹ MYANMAR DEMOGRAPHIC AND HEALTH SURVEY 2015-16 Ministry of Health and Sports, DHS Program, ICF

employed: 90% of reported internal migration in Kachin is within state, to mining areas and to some extent in agribusiness areas³²).

Northern Shan State comprises the districts of Lashio, Kyaukme, Mongmit, Muse, Launkkaing, Hopang and Matman with over 2.5 million inhabitants (2014 census). It is much more densely populated than Kachin. Rice and maize are the major cereals produced during the monsoon season; crop outputs are not uniform in all townships: some areas have an abundance of flat areas, while the mountainous areas have different production patterns. Rice and maize are grown by nearly one in three households, vegetables by one in five, and pulses by one in ten households. Tea is also important and is grown by 9% of the households. Opium cultivation is present in some very remote villages, but to a much lesser extent than in other parts of Shan State: in a 2017 survey by UNODC³³ 7% of villages in Northern Shan had the presence of poppy fields and fields were smaller.

1.2 Smallholder agriculture

Approximately 900,000 acres are cultivated by smallholders in Kachin State. There are few studies available on farm systems. Depending on their access to flat land and mountain slopes, villagers combine intensive paddy cultivation (generally only one monsoon crop) alternating with some pulses, mustard, and peanuts, with some form of slash and burn cultivation on sloping land.

Every Kachin ethnic group has their own customary system for managing community, residential and cultivated lands; most land is under customary land tenure arrangements, as formal registration has progressed only in the vicinity of main townships. Land tenure has great social and cultural significance and is a key source of identity for most communities although this is coming under increasing pressure (see further). Few detailed surveys of customary agriculture systems could be identified; a field survey of cultivated plants in Putao township in 2006 provides an indication of the diversity of local farming systems in areas relatively unaffected by conflict and further from the Chinese border markets³⁴:

- the township reported at the time 29,000 acres of cultivated fields in which about 16,000 acres was used for paddy fields and the remaining 13,000 acres for slash-and-burn cultivation. There were several modern varieties of rice grown in paddy fields near Putao; along with many traditional local landraces recognized by people.
- A large number of crops were identified in slash-and-burn cultivation fields such as taro, rice, finger millet, sesame, chilli pepper, *Alocasia sp*³⁵, sweet potato, edible canna, ginger, turmeric, cassava, pigeon pea, *Brassica sp.*, and rice bean. Minor millets such as foxtail millet and finger millet were sporadically grown in backyard gardens and burned fields. Villagers pound finger millet grains to make flour, mix the flour with (hot) water to make dough or paste. They roast, boil or steam the dough. Sorghum is also an important cereal to brew a wine. Pulses such as

³² ILO 2015 Internal Labour Migration in Myanmar: Building an evidence-base on patterns in migration, human trafficking and forced labour

³³ UNODC 2017 Evidence for enhancing resilience to opium poppy cultivation in Shan State, Myanmar: Implications for alternative development, peace, and stability

³⁴ Watanabe K. et al. 2007 Field survey and collection of traditionally grown crops in northeast areas of Myanmar Ann. Rep. Exp. Intr. Plant Gen. Res. Vol. 23: 161175, 2007
[www.gene.affrc.go.jp/pdf/publications/plant-exp_2006\(23\)_p161.pdf](http://www.gene.affrc.go.jp/pdf/publications/plant-exp_2006(23)_p161.pdf)

³⁵ *Alocasia* is a genus of broad-leaved rhizomatous or tuberous perennials from the family Araceae. There are 79 species native to tropical and subtropical Asia to Eastern Australia, and widely cultivated elsewhere

Vigna umbellata, *V. unguiculata* cv.-gr. *Sesquipedalis*, and *Glycine max* (soybean) are widely cultivated. *Perilla frutescens* var. *crispa* is commonly grown as an oil crop. *Arenga pinnata* (sugar palm) is grown to extract starch from the bulk.

- Several kinds of edible and useful trees are planted in farmlands. Banana is very common. *Zanthoxylum armatum* is commonly planted near farmers' houses and its fruits are sold in marketplaces. It is one of the important spices for Kachin cuisine. Persimmon tree, *Diospyros kaki* are also common.
- On steeper soil villagers depend on slash-and-burn cultivation with different types of upland rice and local maize varieties are grown, foxtail millet and finger millet and a limited variety of vegetables such as *Zingiber officinale* (ginger species), *Curcuma amada* and *Vigna unguiculata*. Based on the information obtained from local people, they do not grow many vegetables even in summer.

While traditional agriculture remains the mainstay of the rural economy in most remote areas of the State, there is a growing trend towards commercial development especially near townships, in areas accessible to nearby Chinese markets and in contact with growing agribusiness estates. This process is viewed as a mixed blessing for smallholder farmers, due not only to the land conflicts arising (see further), but also to access relatively inexpensive imported agricultural inputs (sometimes of dubious quality) to increase yields, but also production costs, causing indebtedness, soil erosion through more careless practices and incidence of pesticide poisoning. This is seen as a threat to the comparative advantage of Kachin agriculture in providing a diversified diet and to supply markets with upland products which are nutritious, natural, healthy and ecologically safe. There is still limited access to formal agricultural finance, and most agricultural value chains for smallholders' cash crops are poorly developed, with limited capacities for storage and post-harvest value adding. In the context of accelerated incorporation into market economy, competitiveness of smallholders farming remains limited, and the trend towards urbanization linked to multiple threats to traditional livelihoods is attracting rural youth to abandon agricultural livelihoods altogether. The specific security challenges related to conflict, exposure to land grabbing, as well as mines also combine to reduce the attractiveness of agricultural livelihoods for Kachin youth.

1.3 Community forestry and non-timber forest products (NTFP)

Kachin State covers only 22% of the Ayeyarwady Basin but almost 50% of water produced by all the forests in the basin comes from Kachin. The State's forests therefore play a significant role in producing water for the whole basin. They also play a very important role in Kachin rural livelihoods. Kachin State's heavily forested and swidden landscape has been demarcated into approximately a million acres of protected forest under the Permanent Forest Estate, which is 42 percent of the total land area of the state. However, a large portion of the forest in Kachin State is classified as degraded and much of this degradation has occurred in recent decades. The main cause of recent degradation is the massive scale of illegal logging, along with land clearance for agri-business. The forests produce teak and hardwood for the industry, as well as charcoal, bamboo, rattan and resin. A number of industries are associated with these non-timber products but information is limited. A study on rattan collection in Northern Kachin ³⁶ indicated that extraction had diminished after the late 1990s, but that regular extraction from the Hukaung Tiger reserve areas still supplied drying facilities in Myitkyina. As for

³⁶ Peters Charles M. et al. 2007 The Rattan Trade of Northern Myanmar: Species, Supplies, and Sustainability

bamboo, there are ample resources in Kachin but no industrial transformation capacity, the only such being in Bago; key issues being related to land tenure and transportation costs.³⁷

Many households supplement their income with non-timber forest products (NTFP) which seem to play a particularly important role in household economy in shifting agriculture areas. Existing sources provide some examples³⁸

- Traditional village based customary management systems subsist in many villages with local regulations, sacred areas and conflict management mechanisms but these regulations are coming under growing pressure. A combination of weak legal support to customary tenure, abusive use of the regulations on vacant lands to appropriate village fallow areas, outright land grabbing and weakening of village authorities is proving particularly threatening in Kachin.
- A participatory ranking appraisal in two villages in Southern Kachin produced a list of preferred NTFP products with income generation potential: Bamboo shoots (*Dendrocalamus hamiltonii*), Dog fruits (*Archidendron pauciflorum*), elephant foot yam (*Amorphophallus konjacki*), rattan and rattan shoots (*Calamus guruba* cane) tea, pepper, coffee, 'karawe' cinnamom, Nyin Byin (*Gnetum gnemon*) and broom grass (*Thysanolaena maxima*).
- In Lwe Hkaw village near Myitkyina in Kachin State, dog fruit trees are grown in community forests and home gardens for raising income. An average household may have around 200 trees planted in one acre; one tree is said to produce up to 2000 fruits per year.
- The main rattan production area is in the Hukaung valley, Danai town being the center of the rattan trade. The main market is China, the value of rattan exports is estimated to be 30,000 tonnes per year, worth about \$7.2 million. The current pattern of rattan exploitation is largely uncontrolled and will eventually lead to resource depletion unless some form of management is implemented.
- Although some commodities such as bamboo, rattan, or dog fruit appear to have potential as income generation sources, there is a lack of proper feasibility and market studies.

Community forests are increasingly used as a formal mechanism to protect villagers' access to forest resources; the Ministry of Natural Resources and Environmental Conservation (MONREC) has been promoting and supporting the creation of Community Forest User Groups under the new Community Forest Instruction and several NGOs are providing support to the mechanism in Kachin and Northern Shan.

1.4 IDPs and agriculture

The breakdown of a 17-year ceasefire in Kachin State, Myanmar, in June 2011 led to the displacement of well over 100,000 civilians. As of January 2018, there were 165 sites for internally displaced persons (IDP) in Kachin and northern Shan State, with a total of 99,700 IDPs in camps, and an estimated 10,000 staying with host communities outside camps. By October 2018 data provided to OCHA by the Camp Coordination and Camp Management (CCCM) Cluster indicated a total of 58,698 IDPs in 121 sites in government-controlled areas, plus 37,909 in sites in disputed areas and EAO-controlled areas³⁹. There are reports of at least a further 15,000 Kachin IDPs in northern Shan State. In addition to internal displacement within Myanmar, an estimated 7,000–10,000 people were forced to flee across the

³⁷ BIF 2015 Myanmar Bamboo Sector Competitiveness Study. Business Innovation Facility

³⁸ Foppes J. et al. 2011 Market Research and Enterprise Development for Community Forestry (CF) in Myanmar Consultancy Report for Pyoe Pin.

³⁹ OCHA: MYANMAR: IDP Sites in Kachin State (as of 31 October 2018)

Chinese border; most of these refugees were forcibly repatriated by the Chinese authorities in August 2012.

The large majority of IDPs previously relied on agriculture, which is mostly impossible to pursue in a camp setting. Many of them now rely on daily labour opportunities (agricultural, construction, food businesses, etc.) in host communities, a limited number have been able to establish small businesses, such as grocery shops within camps. An increasing number of youths are working in mines in other parts of Kachin State (jade, amber and gold mines), becoming involved in the drug trade, or travelling to China temporarily to work as daily labourers⁴⁰.

Some IDPs have been able to temporarily access their land in their places of origin, this access is generally risky; in some areas IDPs have been able to rent land (sometimes with the help of NGOs), but these opportunities remain limited. Agricultural activities such as kitchen gardens (partly to improve dietary diversity) are supported by CSOs and NGOs, along with vocational training coupled with Conditional Cash Grants (CCG) based on simple business proposals such as pig raising, sewing/weaving, amber polishing, snack production, etc. Accessing nearby agricultural land also sometimes creates tensions with the host community. In Northern Shan, tensions may also be fuelled by ethnicity: in several communities, including Kyaukme, Lashio, Namkham and Hsipaw townships, a concern of many people is over the fate of missing relatives and members of their community; in the absence of reliable news and fuelled by rumours, rumours circulate that people had been killed because of their ethnicity, although reports of such remain unconfirmed⁴¹.

To date, the co-existence of IDPs and host communities has been generally amicable and supportive. However, as the period of displacement continues without signs of abating, competition and sharing of limited resource has become a contentious issue. Access and sharing of often-limited resources such as water and/or firewood has become a critical issue, and one that risks straining relationships, especially as funding and assistance for humanitarian support is withdrawn. The protracted presence of IDPs has also placed great stress on host communities and their own limited resources, because of land allocation for housing and infrastructure for IDPs, and IDPs foraging and cultivating outside their camps.

Local NGOs have begun several programmes to address the lack of livelihoods, including skills training in carpentry, mechanics, and sewing, establishing standing gardens (stacked in bamboo shelves that take up less space), and greenhouse projects that can supplement, if not fulfil, food needs. Other smaller projects are teaching IDPs basket weaving, soap making, and wine making. These efforts are, at times, promising but have been unable to reach the scale needed to fill the significant gap in livelihood opportunities⁴²

While most IDP would like to return to their land, this is impossible for many areas due to continuing armed conflict and the presence of armed actors and landmines. Landmine contamination remains a serious concern, with high numbers of casualties from land mines and unexploded ordnance (UXOs).

Attempts have been made by the state governments to resettle IDPs when landmines are cleared, and land and construction materials become available. However, a further seven new camps have been

⁴⁰ HARP 2018 Kachin and Northern Shan State Context and Vulnerability Review October 2018. Report commissioned by the HARP Facility funded by DFID

⁴¹ ISDP 2018 A Return to War: Militarized Conflicts in Northern Shan State. Asia Paper May 2018 Institute for Security and Development Policy

⁴² Suffering in Shadows: Aid Restrictions and Reductions Endanger Displaced Person in Northern Myanmar, refugees International field report, December 2017

opened in Myitkyina and Nammatee in April, 2018 to cope with a new influx of IDPs. This brings the total of currently operating IDP camps to 172 sites.

Although new camps have recently been opened, in June 2018, the Department of Social Welfare (DSW) announced that it was working towards a 'national strategy' for the closure of all IDP camps in Myanmar, including those in Karen and Kachin areas. The Department has piloted camp closure interventions that are planned for expansion in the near future in Kachin. There are concerns that this action may be premature due to on-going fighting and other severe threats to the personal safety for those currently in the camps. Some IDP are under pressure to return to their original villages, or to new sites in government-controlled areas. These resettlements face also issues of land ownership and long-term livelihood security.

1.5 Agribusiness

The main export market at present is China via border trade. Kachin and the border areas of Northern Shan are considered as an "agribusiness frontier" area. An estimated 918,000 acres have been allocated to large-scale commercial farming enterprises (i.e. banana and rubber plantations for export to China). For instance, rubber concessions have swept across the hills in areas that were formerly shifting agriculture areas; while rubber in other regions follows more of a smallholder model approach mostly embedded in Chinese rubber markets with Chinese middlemen, rubber development in northern Myanmar follows a private large-scale concessionary model mostly financed by Chinese investment from China's national opium substitution programme⁴³.

Agri-business development appears to have a largely negative impact on smallholders' livelihoods, as it is providing off-farm employment mostly to town people and no economic benefit for neighbouring villagers, notwithstanding the land issues. One example is provided from villages where one LIFT funded project intervenes: *"In one village about half of the total surface area is covered with banana plantations since about ten years, without any significant financial compensation of the villagers who used these lands. The plantations do not provide work to the local communities, as plantation holder reportedly prefers to hire cheaper workers from elsewhere, while these do not have to support any family thus can work seven days a week."*⁴⁴ A significant proportion of these lands are subject to contestation between communities, the government and ethnic armed organizations (EAOs). The key issues are rooted in the slash and burn/shifting agriculture practices which demand large areas of fallow land, normally under customary tenure without any formal property rights. MOALI lists Kachin State as having over 2.5 million acres of "vacant, fallow, virgin or wasteland," of which 430,000 acres have been earmarked as suitable for agribusiness production. Much of these "wastelands" cover forested areas or degraded forests of which many are claimed, if not always actively used by local communities due to prevalent security.

1.6 Land issues and conflicts

Land tenure issues are particularly acute in Kachin and linked to large-scale population displacement. The majority of IDPs owned land through (mainly) customary tenure or informal purchase. Few people in rural areas have proper land documentation, and it is near impossible to obtain documentation for conflict affected areas. Many of those engaged in customary farming, or who have lost their documentation during their flight, as well as non-displaced civilians remaining in conflict-affected areas, are facing serious challenges in securing and maintaining their rights to their ancestral lands.

⁴³ Woods Kevin 2012 The Political Ecology of Rubber Production in Myanmar: An Overview

⁴⁴ Ton Peter 2018 Metta Uplands project Uplands Food Security and Participation in Markets (UFS-PM) (Kachin and Shan States, Myanmar) Mid-Term Review. LIFT 2018

Farmers and IDPs tend to have limited knowledge of national laws and little capacity to engage the national authorities. Tenure insecurity is reportedly worsened after parliament's amendment to the 2012 Fallow and Virgin Land Law, on 11 September 2018, which has been considered as providing some loopholes that could be used to allocate community land; legal procedures are being improved (objections to a VFV application could initially only be made within 30 days from the date of notification, now extended to 6 months) but in any case it is very difficult for most people who have been displaced to document their land rights. Small-scale appropriation of IDPs' land is also reported, through individual armed actors or inter-communal land appropriation of one family's land by another⁴⁵. Clear mechanisms to address disputes are often lacking and enforcement is ad hoc; sensitivity to IDP land rights does exist and State Government has ordered inquiries. IDPs are attempting different forms of redress involving different administrative bodies, generally with support from CSOs. In some areas local authorities have intended to support IDP land rights, while in others IDPs have effectively lost their ability to assert any land rights they may have due to restrictions of access. These restrictions make it difficult for IDPs to monitor what is happening to their land or to be consulted in village-level governance structures or as part of land surveying carried out in relation to land acquisitions. The situation makes it easier for external actors to appropriate IDP land without any accountability to the IDPs themselves.

Land issues are linked to the development of large-scale agribusiness land allocations. Agribusiness development in Kachin State evolved in relation with neighbouring China. Chinese business interests in mining, timber, large-scale hydropower dams, and agricultural commodities have greatly influenced the economy. Agribusiness concessions are potentially profitable due to financial support from Chinese government programs, such as the opium substitution program, and short-distance access to regional and global agricultural commodity markets across the China border⁴⁶. Rubber, rice, corn, watermelon, and banana investments are supported by subsidies and tax-free import quotas under China's national opium substitution program. Several types of concessions have been linked to land conflict as well as environmental impact:

- Some conversion timber concessions or biofuel concessions have caused conflicts with communities;
 - Banana plantations have received increased media coverage. In 2016, media started reporting the emergence of foreign investment allegedly involved in the land confiscations by renting land for banana plantation; an investigation team headed by state agriculture minister U Mya Thein, concluded in December 2018 that 36 companies had established banana plantations without permission of the state government^{47 48}.
 - Some land conflicts are also reported in the case of sugarcane plantations in Northern Shan⁴⁹.
- In 2012-2013, the national agriculture ministry in Naypyidaw recorded nearly 1.4 million acres of agricultural concessions awarded in Kachin State alone (27 percent of the national total), but less than

⁴⁵ KBC, Metta Foundation et al. 2018: Displaced and dispossessed: Conflict-affected communities and their land of origin in Kachin State, Myanmar. Published by Oxfam-Trocaire

⁴⁶ Woods Kevin 2015. Commercial Agriculture Expansion in Myanmar: Links to Deforestation, Conversion Timber, and Land Conflicts. Forest Trends, UKAid 2015

⁴⁷<https://www.business-humanrights.org/en/myanmar-banana-plantation-owned-by-chinese-companies-raises-local-concerns-over-land-and-environmental-problems>

⁴⁸ <https://frontiermyanmar.net/en/kachins-plantation-curse>

⁴⁹ LIOH 2015 Destroying People's Lives: The Impact of Land Grabbing on communities in Myanmar @ Land in Our Hands Network December 2015

175,000 acres have actually been planted, or just 12 percent of total concession area. There were over 200,000 acres in Shan State.

2 Lessons learned from previous interventions in Kachin State

2.1 Overview of LIFT interventions in agriculture 2010-2019

LIFT's experience in Kachin and Northern Shan started with the previous programme under the 2014-2018 Strategy. With a focus to "Reducing poverty and vulnerability of IDPs and host communities affected by conflict in Kachin State and northern Shan State" this programme supported three interventions with direct focus or linkages to agriculture, markets and food systems.

The "**Food Security and Participation in Markets (UFS-PM)**" project was implemented between June 2016 and May 2019 by Metta Development Foundation in Myitkyina, Waingmaw and Momauk townships in Kachin, as well as in Northern Shan state. It is the only specifically agricultural project funded by LIFT in Kachin to date. The project includes two main components: Value Chain development including extension (Farmer Field Schools) for 'new' cash crops (groundnuts, mustard, soybean), establishment of farmer-managed processing capacities for groundnuts and mustard and collective marketing. The Community Forestry component supports the establishment and certification of Community Forests along with some value chain development interventions for elephant foot yam (EFY), ginger or turmeric.

The **Financial Inclusion for Uplands project**, implemented between December 2015 and December 2018 by World Vision International and its partners Vision Fund Myanmar and World Vision Australia, has been active in Kachin establishing two branches in Myitkyina and Waingmaw. VisionFund Myanmar (VFM), the international microfinance subsidiary of World Vision, intended through this project to expand its core operations into 11 townships in four upland states, and pilot some new financial products such as individual or group loans for small scale agricultural technologies (assets), refinancing/debt financing and "Credit line" – a dual-crop loan, whereby a client is given one loan for one crop, and once that is paid off, a second loan for a second crop, without having to go through the loan appraisal again. A new savings product was proposed, called an Individual Development Account. The branches in Kachin served over 6,500 clients, 90% of them women, with over 15,000 loans totalling 5,426 Million MMK. Specific agricultural loans amounted to 923 Million MMK (approximately 17% of the total value of the loan portfolio) according to WV final report.

The **Uplands Township Fund (UTF)** is implemented by a consortium of SWISSAID, GRET and Metta. It targeted CSOs in Southern Shan and Kachin, specifically in the Kachin townships of Waingmaw, Moegaung and Mohnyin. The fund targeted township level local CSOs with the objective of strengthening the capacities of township civil society to organize, deliver services in support of livelihoods and establish linkages with national and international levels for continued support. 13 CSO (19 projects grants) have been approved so far for Kachin and 14 in Northern Shan, including activities relevant to agricultural livelihoods such as organizational strengthening, organic farming, environmental conservation, farmers' forum, chicken breeding, Community Forestry, vocational trainings and financial capacity building trainings. The Fund will be extended for further grants.

2.2 Lessons learned

There are relatively few lessons learned specific to the Kachin-Northern Shan context to be drawn from existing interventions; those mentioned here are linked to the context:

- Alternative off-farm employment opportunities, especially in mining but also in commercial plantations, are prevalent in many areas of Kachin, particularly near the Chinese border, so that agricultural livelihoods opportunities may not be so attractive for many youths.

- Economic precariousness limits capacity of most smallholders, and more so IDPs, to invest or to forego immediate income, so that most would rely on brokers rather than accepting perceived risks in collective marketing initiatives, such as delayed payments;
- Tenure insecurity is prevalent so that interventions should consider measures for securing land rights as a central outcome.

For agricultural livelihoods interventions, lessons learned are quite similar to those registered in other regions of Myanmar:

- Better assessments are needed before focusing interventions on specific value chains in order to avoid having to change focus during implementation because of market and supply chain feasibility issues that might have been identified beforehand.
- Similarly, investments aiming at adding value and increasing participation of farmers in post-harvest management and processing require careful financial feasibility analysis, cash flow projections, understanding of market quality requirements, clarity about infrastructure ownership and farmers' participation, technical performance, financial status and payment plans.
- The registration of Forest User Groups (FUG) and Community Forests is an essential step to improve community control over their ancestral lands, but it is time consuming and villagers' motivation must be maintained during the process. The design of and membership FUG must be used also to highlight the potential of customary land management, because poorly designed, it can actually undermine it. Choice of high value products is essential for the economic sustainability of forest/NTFP enterprises and subject to the same market and financial feasibility issues as agricultural commodities.

The experience in inclusive finance shows some specific lessons:

- Working in remote, mountainous, and conflict zones is a challenge and has an impact on costs and hiring staff is particularly problematic if specialized languages are required.
- The practice of organizing community centres as disbursement and collection points for clients so that they do not have to travel to the branch in order to conduct their transactions, has proven effective.
- Developing and rolling out new products such as specialized agricultural assets loans requires good previous market assessment; for instance, the demand for larger loans for agricultural machinery, which may be assumed given the shortage of labour may be answered by different products and modalities which have to be carefully researched and piloted.

3 Stakeholders

3.1 Key stakeholders at community level

The main beneficiaries for the sub programme are the population most affected by conflict, meaning IDPs and host community as well as communities with significant numbers of returnees or resettlement areas.

3.2 NGOs and CSOs

Church-based relief organisations such as the Kachin Baptist Convention (KBC) and Karuna Mission Social Solidarity (KMSS), along with independent Baptist and other church organisations, play a key role in social development and have directly provided emergency assistance and basic services to IDPs in government- and Kachin EAO-controlled areas.

Given the complex security situation, much of the support to IDPs and host communities has not been delivered directly through UN and international agencies, but through local agents. A series of local and national CSOs and NGOs are active in Kachin and Northern Shan and have also formed networks. The most important is the Joint Strategy Team (JST): led initially by the Metta and Shalom/Nyein Foundations and the Baptist and Catholic churches' relief and development wings, JST was established in 2013 to improve aid coordination and effectiveness and advocate with the international community. The JST has received funding from the European Union (EU) and other donors, mostly channelled through international NGOs. JST currently includes Bridging Rural Integrated Development and Grassroot Empowerment (BRIDGE), Kachin Baptist Convention (KBC), Kachin Relief and Development Committee (KRDC), Kachin Women Association (KWA), Kachin Development Group (KDG), Karuna Mission Social Solidarity (KMSS), Metta Development Foundation (Metta), Nyein (Shalom) Foundation and Wunpawng Ninghtoi (WPN). Much of the work undertaken by the JST and other CSOs including the Relief Action Network for IDPs and Refugees, the Kachin Peace Network, has included sensitive initiatives and faces security constraints limiting their ability to respond to the needs of IDPs.

To date, these NGOs, with the exception of Metta, have engaged very little in agricultural livelihoods beyond some vegetable gardens and small livestock support in IDP camps; on the side of forest user groups support, there has been more significant actions involving Metta, Fauna & Flora International (FFI), FAO, IIED, Shalom Foundation, British Council (Pyoe Pin) etc.

Table 1 Main NGOs active in Kachin State and Northern Shan with livelihoods experience

Acronym	Full name	Type	Main areas of expertise
DFS	Dai Fin Social Service	LCSO	TVET, small-scale agriculture and livestock production, development of CSO capacities.
FOM	Farmer Organization Mohnyin (FOM)	LCSO	Promote awareness on land law, ecological farming systems.
GHO	Grip Hands Organization		Livelihoods, human rights and protection activities for IDPs and host communities.
GP	Golden Pearl	LCSO	Support development of livelihoods of disabled persons.
HF	Heartland Foundation	NNGO	Environmental governance and capacity development.
HGLDO	Htoi Gin Taung Development Organization	LCSO	Strengthening collective action among farmers, women.
HSLDO	Htoi San Local Development Organization	LCSO	Improving capacities for basic livelihood of farmers.

Acronym	Full name	Type	Main areas of expertise
KMSS	Karuna Mission Social Solidarity (KMSS)	NNGO	Humanitarian and development “nexus”: protection, food aid, TVET.
LLSFCA	Loi Li Sut Forest Conservation Association	LC SO	Community Forestry.
Metta	Metta Development Foundation	NNGO	Rural Development, agriculture, humanitarian response.
MSCDG	Mung San Community Development Group	LC SO	Promotion of livelihood, advocacy.
NGDA	Natural Greening Development Association (NGDA)	LC SO	Community Forestry (CF) activities and Networking among Mohnyin CF working group.
NSSBY	Northern Shan State Buddhist Youth	LC SO	Capacity building of youth and conservation of environment.
Oxfam	Oxfam Myanmar	INGO	IDP support including women empowerment, Revolving Loans, Sustainable Businesses.
PI	Plan International Myanmar	INGO	Multi-sector response covering Education, Child Protection, Nutrition, WASH and NFIs in 60 camps.
SC	Save the Children	INGO	Humanitarian response, IDP support including livelihoods.
SSYBC	Shan State Youth Capacity Building Centre (SSYCBC)	LC SO	Awareness of young people in rural communities.
TLG	Township Leading Group, Waingmaw	LC SO	Build capacity of Waingmaw Women.
TTLDO	Thurein Tun Local Development Organization	LC SO	Promote the local people’s food security through voluntary work.
TYO	Tai Youth Organization (Lashio)	LC SO	Support socioeconomic and education, health.
WCM	World Concern Myanmar	INGO	Capacity building of communities through strengthening of Village Development Committees (VDC), access to clean water, primary health care, livelihoods support through agricultural methods and education aids.
WHH	Welt Hunger Hilfe Myanmar	INGO	Humanitarian response (Kachin), agriculture.
WPN	Wunpawng Ninghtoi WPN	LC SO	Child Protection, Nutrition, WASH, Food Security and Livelihood, Vocational training, Women Income Generation, Education in Emergencies.

NNGO: National- LC SO: Local- INGO: International

3.3 Key stakeholders at Government level

The key government stakeholders the project will collaborate with are the Department of Agriculture (DOA) and Department of Agricultural Research (DAR) of the Ministry of Agriculture, Livestock and Irrigation, as well as the Department of Forestry (DOF) of the Ministry of Environmental Conservation and Forestry.

There are two DAR centres – the Naung Mone Research Farm in Lashio and Mohnyin Research Farm in Kachin state.

Other Government stakeholders concerned in interventions include the Ministry of Social Welfare, Relief and Resettlement (MoSWRR), the Ministry of Labour, Immigration and Population (MoLIP) and

the Ministry of Education (MoE) as well as the Chief Minister's office, offices of the Ministers for Ethnic Affairs of Kachin and Shan, representatives of the General Administration Department at State level.

4 Key opportunities for development interventions

Considering the target groups, there are several key opportunities that may constitute the focus of AMFS interventions:

- **Intensive nutrition-sensitive agriculture/horticulture/small livestock:** These activities may target peri-urban areas as well as the IDPs camps are mostly concentrated in areas of Kachin and Northern Shan which are close to Chinese markets, with important townships. Together with the food aid needs of IDP camps, there is considerable potential for nutrition-sensitive commercial production to respond to these markets. To date, support to IDPs has been limited to very small-scale vegetable gardens without commercial dimension. The key challenge for IDPs being access to land, this constitutes the main condition of feasibility. Considering the potential for tension with host communities, joint ventures between IDPs and members of host communities ensuring safe access to land could constitute a positive step towards preventing and easing such tensions. These interventions should be connected with food aid and nutrition interventions wherever possible. Local markets are the initial target.
- **Non-Timber Forest Products value chains** (as well as potentially, fast growing timber once legal hurdles are removed) offer an opportunity to consolidate land tenure rights while developing value chains in both Kachin and Northern Shan. Well focused interventions can contribute to the objectives of livelihood development together with securing customary tenure. There is growing recognition of the role in Myanmar that customary tenure systems can play a role in promoting sustainable, equitable, and prosperous rural communities; while evolution of the legal framework may take time. Community forestry can be viewed as an appropriate interim measure to establish some customary land tenure security, even the only practical and legal tool to secure some customary rights.⁵⁰ In the long term though, more comprehensive measure will be needed for recognizing customary tenure systems more broadly in order to limit the expansion of large-scale agricultural plantations over customary lands, chiefly a push for legal recognition of customary land management, such as upland swidden cultivation, which would constitute a more comprehensive contribution to food security, customary land use regimes, and traditional village power bases ⁵¹. In terms of value chain, the sustainability of FUG obviously depends on the choice of commodities and linkages to markets: back in 2013 a study ⁵²identified local markets for posts, poles, bamboos and finished bamboo products; local people in several areas used to own large bamboo plantations which they traditionally handed over to their children. Recently a proposal for a pilot project on bamboo has been submitted to LIFT. There are also significant local incomes from orchids and medicinal plants; recently agarwood has also emerged as a profitable forest product with market potential, even leading to the creation of a Myanmar Agarwood Producers and Exports Association (MAPEA) ⁵³. Some CFUGs in Kachin State have been planting teak in their CFs, and

⁵⁰ FAO and MRLG. 2019. Challenges and opportunities of recognizing and protecting customary tenure systems in Myanmar. Bangkok, 12 pp.

⁵¹ Woods Kevin 2010 Community Forestry in Cease-Fire Zones in Kachin State, Northern Burma: Formalizing Collective Property in Contested Ethnic Areas Paper has been prepared for presentation at the CAPRI Workshop on Collective Action, Property Rights, and Conflict in Natural Resources Management.

⁵² Kyaw Tint, Springate-Baginski, et al 2014. Unleashing the potential of community forest enterprises in Myanmar. Ecosystem Conservation and Community Development Initiative (ECCDI), University of East Anglia (UEA) and International Institute for Environment and Development (IIED), London, UK.

⁵³ <http://www.globalnewlightofmyanmar.com/agarwood-set-to-make-a-comeback-in-myanmar/>

this could serve as a useful pilot programme for CF enterprises based on timber. There are already some pilot projects supported financially by local businessmen, orchid specialists and nongovernmental organisations such as the Ecosystem Conservation and Community Development Initiative (ECCDI). The Forest Department has been supportive of the establishment of CFUGs in Kachin and Northern Shan.

- **Inclusive agricultural value chains:** A further approach to consolidate smallholders' livelihood systems and land tenure is by engaging into profitable value chains; competitiveness is essential in the face of an aggressively promoted plantation model. If current experiences with farmer-led transformation and marketing have shown the need for a cautious and professional approach with involvement of the private sector, there are several value chains where inclusive development is possible. While the most documented contract farming experience so far (hybrid maize in Shan state) is not altogether conclusive in terms of smallholders' inclusion, smaller scale arrangements with local and Chinese entrepreneurs are certainly feasible.

5 LIFT Kachin and Northern Shan Agriculture, Food Systems and Markets subprogramme

The LIFT Kachin – Northern Shan State Programme aims at contributing to the LIFT 2019-2023 strategic outcomes that include:

- *Improved nutrition status, particularly of women and children in remote communities;*
- *Increased household income and assets, through improved inclusion in agricultural value chain and labour markets, with greater control by women;*
- *Reduced vulnerability of households and individuals to shocks, stresses and risks by diversification of income and food security sources and improved management of key natural resources.*

The focus of the LIFT Kachin – Northern Shan Programme is on reducing poverty and vulnerability of IDPs and host communities affected by conflict in Kachin and Northern Shan States. LIFT supports a humanitarian to development transition by backing durable solutions in support of longer-term economic development and nutrition. In design of projects, strong consideration of conflict sensitivity, social cohesion and advances in nutritional status of women and children, gender equality and women's empowerment is critical. Further, interventions should be designed to provide equitable opportunities to women, men, youth and people with disability. The programme prioritises five main components:

- 6) Improved nutritional status, particularly of women and children, in both camps and host communities
- 7) Enhanced opportunities for skills development and job matching services for IDPs in camps and all members of host communities
- 8) Safe migration and anti-trafficking support, particularly for women and girls being trafficked for forced marriage
- 9) Restoration of agricultural livelihoods with improved inclusion in effective value chains providing increasing and stable incomes for IDPs, host communities and returnees.
- 10) Equitable and safe land access and tenure rights

The Kachin – Northern Shan Agriculture, Food Systems and Markets Theme will address components 1 and 4 in this call. It will target specific beneficiary groups among the most vulnerable communities:

- IDPs and returnees likely to engage in profitable agricultural livelihoods;
- Host rural communities with potential to integrate promising agricultural value chains.

The focus of this call will be on:

Support to nutrition-sensitive commercial production in IDP camp areas and/or support of returnees.

The main conditions for such intervention will be the availability of land (returning to original lands) or managed in joint ventures between IDPs and members of host communities. Intensive production of horticultural crops, small livestock and other nutritious intensive crops will be developed in connection with markets, pursuing the double objective of generating incomes and increasing local availability of essential and nutritional food items. Commercial production of nutritive food crops can be linked to the continued demand of food aid programmes in IDP camps as well as providing local Township markets. Modalities will be introduced to ensure that key food items are made available to IDP camps at affordable prices, while key cash crops/livestock will ensure incomes both through benefit sharing between farmers and employment of IDPs in agricultural labour. Intensive commercial production may also be used for training future returnees. Local sellers and market stakeholders should be involved

from the start, and cash crop choices carefully considered based on market assessment and consideration on their nutritional value. It should be noted that the intervention should contribute to the ADS and its contribution to the MS-NPAN of the GoM.

A series of key intervention principles are transversal to all intervention areas:

- Empowerment and inclusion of women will be of foremost importance in the context, and will be the object of attention for increased empowerment in terms of access to resources, production and marketing investments and community organization, with concrete actions and measurable outcomes.
- Complementarity between income generation and nutrition sensitive interventions: There is no clear boundary between commercial production and subsistence when food crops are concerned. Nutrition-sensitive approaches mean also understanding the social and economic dynamics that support complementarity between commercial production and self-consumption.
- Proposals should be focused on interventions likely to achieve concrete results on the ground, both from technical and institutional aspects, with a potential for replication and scaling up.
- Climate smart agriculture will be an inherent ingredient of all technological investment options, both for intensification and sustainable production systems.
- The inclusion of a strong SBCC intervention to promote optimal diets and child feeding practices, and a focus on improving women's status and empowerment through agriculture are consistently reported as key to enhancing the potential impacts of agriculture on diets and other nutrition outcomes.

6 Annex 1 Past and current LIFT intervention in Agriculture in Kachin State

Table 1 Past and current LIFT intervention in Agriculture in Kachin State and Northern Shan State

Project title	Period	Implementation partners	Geographic area	Budget US \$ (millions)	Main activities
Food Security and Participation in Markets (UFS-PM)	17 Jun 2016 – 31 May 2019	Metta Development Foundation	Myitkyina, Waingmaw and Momauk townships (also in Shan state)	2.1	<ul style="list-style-type: none"> • Agriculture extension and value chain development (groundnut, sesame and mustard oils) • Natural resource management through community forestry and value chain development
Financial Inclusion for Uplands	11 Dec 2015 – 31 Dec 2018	World Vision International Myanmar Partners: Vision Fund Myanmar and World Vision Australia	Myitkyina Township (also in Shan, Kayah and Kayin states)	4.5	<ul style="list-style-type: none"> • Pro-poor financial services for agricultural and off-farm livelihood development through extension of basic credit • Investment financing for agricultural and off-farm small businesses through innovative financial instruments such as a credit line for small scale agricultural technologies • Savings opportunities through Individual Development Accounts (IDAs) for poor, but economically active households
Uplands Small Grants Fund for Civil Society	1 Aug 2016 – 30 Nov 2018	SWISSAID Partners: GRET and Metta	Waingmaw, Mohnyin and Mogaung Townships (also in Chin, Shan, and Kayah states)	3.5	<ul style="list-style-type: none"> • Small grant fund for local civil society organisations (CSOs) • CSOs capacity strengthening in livelihoods, management and governance

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