

SUMMARY

**Annual action programme in favour of Myanmar/Burma for 2019
part 2 to be financed from the general budget of the Union**

**"Enhancing Rural Nutrition in Myanmar: support to the National
Agriculture Development Strategy and its contribution to the Multi-
Sectoral National Plan of Action for Nutrition"**

Budget heading	21.020200
Total cost	EUR 112 million of EU contribution
Basic act	Regulation (EU) No 233/2014 of 11 March 2014 Regulation (EU) No 236/2014 of 11 March 2014

1. Country background

In 2010, Myanmar/Burma emerged from more than 6 decades of military rule since independence in 1948, and embarked on an ambitious range of political, economic and administrative reforms. A civilian government was elected in 2015, yet the democratic transition remains incomplete as the country continues to face a complex set of interrelated governance, security and socio-economic challenges. As the current government approaches the mid-point of its term, the limits of its political, economic and social power have been publicly tested.

Under the current constitution the military remains an important political actor, occupying 25% of parliamentary seats unelected, holding a veto power over constitutional amendments and providing three key ministerial posts. Serious challenges remain in the area of rule of law, human rights and gender equality. In some areas, such as freedom of expression, of speech and of media, there have been signs of backsliding. The peace process is a key area, benefitting from significant EU support, where progress should contribute to important improvements in respect of human rights, particularly rights of minorities.

With reference to EU budget support guidelines, a Sector Reform Performance Contract aims to promote sector policy reforms and to ensure and protect delivery of basic services to all the people, with particular attention to vulnerable groups. It offers an effective platform for dialogue, not only on the specific areas targeted by the operation, but on broader issues linked to the fundamental values. It offers an opportunity to promote the EU rights based approach and commitment to gender equality. In the current circumstances therefore, the proposed Nutrition and Agriculture Sector Reform Performance Contract, which has a very high level of support across government, offers a precious and important entry point for the EU and Member States to demonstrate concretely their continuous engagement with the government and commitment to support development across the country.

2. Summary of the action programme

1) **Background:** Myanmar has experienced a rapid decline in malnutrition figures in just a few decades; stunting among children under 5, or chronic malnutrition, reduced by 25% between the 1990's and 2016 (Demographic Health Survey, 2015-16). However despite this progress and more than a decade of sustained economic growth one in three children in Myanmar are stunted. Acute malnutrition, or wasting, still affects 7% of preschool children and micronutrient deficiencies persist; 57.8% of children age 6-59 months and 46.5% of women of reproductive age suffer from anemia, attributable in part to inadequate intake of iron. Chronic malnutrition figures are highest among children from poorer rural households (up to 40%), households with low mother's education, landless households, and in several ethnic upland areas that are or have been affected by protracted conflict (around 40% in Kachin, Shan, Chin, Rakhine and Kayah. Approximately 72% of the country's population lives in rural areas where 87% of poverty is concentrated.

Key agricultural services provided by MOALI such as credit, land tenure security¹, research and extension services have tended to favour rice production at the expense of agriculture diversification, which has compromised poverty reduction potential, resilience, and ultimately dietary diversification.

The productivity and nutritional impact of the agricultural sector is also compromised by gender inequalities in the smallholder sector. Social and cultural discrimination of women restricts their access to resources, credit, training, advice and voice in decision-making. Their use of time bears the double workload of productive and household responsibilities, and tasks such as collecting water are becoming more onerous in the dry season as a result of the impact of climate change. In areas of significant outmigration, labour shortages constrain agricultural activities. Women's nutritional needs are greater than for men, especially during pregnancy and lactation (further impacting the health of the child) and yet, women's labour/time burden and food taboos often negatively impact a woman's nutrition practices and intake. Whilst food security may be achieved at the household level, intra-household dynamics may result in uneven food distribution between household members resulting in poorer diets for women and children. Dietary diversity is a key constraint in Myanmar to improve nutrition and it is a fundamental objective of existing Government plans to consider the contribution of agriculture (as well as access to potable water to reduce diarrheal diseases) to nutrition. Finally conflict and conflict dynamics are determinant to explain the underlying causes of poor nutrition in ethnic areas.

2) Cooperation/Neighbourhood related policy of beneficiary country : At Union level Myanmar has embraced nutrition as a policy priority: in 2014, Myanmar joined the Scaling Up Nutrition (SUN) movement. In January 2017, the State Counsellor, ASSK, convened multiple sectors and development partners for the first ever Inter-Ministerial Coordination Meeting on Nutrition. This was then followed by the establishment of a Nutrition Sector Coordination Group (NSCG) under the umbrella of the Development Assistance Coordination Unit (DACU), signalling the importance of nutrition as a priority area for development assistance.

A **Multi-sectoral National Action Plan for Nutrition (MS-NPAN)** has been developed within the context of the recent high level political commitment to address malnutrition in Myanmar as a multi-sectoral issue and to deliver a prioritized package of essential nutrition services/interventions. The MS-NPAN is based on the underlying assumption that by leveraging the collective and complementary inputs of multiple sectors with different strengths, and enabling convergence of interventions and services at the community, household and individual level it will be possible to

¹ The current Myanmar legislative framework for land tenure, particularly the Farm Law and VFV law of 2012 limit access to land and land title, notably for vulnerable groups such as ethnic minorities and IDPs.

have a significant impact on nutrition outcomes. The MS-NPAN was recently endorsed (November 2018) by all concerned sectorial Ministries.

Myanmar's Ministry of Agriculture, Livestock and Irrigation (MOALI) is one of the 4 key Ministries identified as having a central role to play in the fight against malnutrition in Myanmar. The MS-NPAN key result area for MOALI is to assure regular access and consumption of safe and diverse foods for the entire population which will be supported by three key outcomes: agriculture diversification, rural income generation, and food safety.

In June 2018 MOALI launched its sector **Agricultural Development Strategy (ADS)** with the ambition to reform the rural sector, including through better service delivery, planning and targeting and with five main overarching priorities: (i) improved food security and nutrition, (ii) increased smallholder farmer's income, (iii) reduced rural poverty, (iv) enhanced trade competitiveness, (v) and strengthened and ensured farmers' rights. It was developed over an eighteen month period following an extensive consultation process with all sub-sectors across all 15 regions and states of Myanmar.

The current policy will contribute to further progress in crosscutting areas such as gender. Both the ADS and MS-NPAN identify Gender inequality and insufficient women's rights in agriculture as an important issue for the sector.

The Proposed Action will primarily focus on supporting the implementation of the ADS in the policy areas that have a more direct contribution to the reduction of malnutrition, realizing MOALI's foreseen contribution to the MS-NPAN.

Through the improvement of the three nutrition outcomes of enhanced diversification of food production, rural incomes, and food safety across the ADS priorities, in selected subsectors (livestock, land, seed improvement and access) and targeting vulnerable groups, the programme will contribute to the higher level objective of improving dietary diversity in women and children. This will be coupled with support to improved access to potable water in rural areas (another key underlying factor behind poor child nutrition in rural areas) for which MOALI is also responsible.

3) Coherence with the programming documents: The action addresses in priority SDG Goal 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture", but also SDG goal 1, reducing rural poverty, SDG 5 on gender equality and empowerment of women and girls and SDG 6 clean water and sanitation. Complementary measures will support convergence with other goals including SDG 3 on access to improved health services and 6 to improve access to clean water and sanitation. It also contributes to article 14 of the CEDAW regarding the specific problems faced by rural women, specifically: access to extension services, technical proficiency, resources and credit. The action directly contributes to EU Gender Action Plan II priority B, objective 12 (Healthy nutrition levels for girls and women and throughout their life cycle) and priority C, objectives 13 on vocational training, 14 on decent work, and 15 regarding access to productive resources. The action will contribute to achieving the specific objectives set out in the Myanmar/Burma MIP 2014-2020 under its focal sector " Rural development / Agriculture / Food and nutrition security " and is fully aligned with the EU policy framework on nutrition²

² The 2013 EU Communication on Nutrition "Enhancing Maternal and Child Nutrition", the 2014 DEVCO Action Plan on Nutrition, the DEVCO Corporate Objective 2 and Nutrition Result Chain.

4) Identified actions:

The Overall Objective of the action is to reduce malnutrition in women of reproductive age, infant and under-five children through secured regular access and consumption of safe and diverse food and access to potable water in Myanmar.

Its specific objectives are:

- Improved food diversity in households and local markets (availability)
- Increased access to diversified diets through improved incomes (access)
- Improved safety along food supply and value chains to enhance access to safe and nutritious food (food safety)
- Improved access to potable water in rural areas and of vulnerable groups
- Women empowered to actively participate and/or take informed decisions in agricultural/livestock production, value chain and household dietary intake
- MOALI Institutional Capacity Strengthened including for Improved quality, transparency and accountability in the PFM and budget oversight systems

5) Expected results: The expected outputs are,

Induced Outputs

- Scaled-up and increasingly inclusive delivery of horticulture/fruit seeds (DoA, horticulture).
- Scaled up & increasingly inclusive delivery of Veterinary /livestock services 4 small livestock (LBVD).
- Rural Development Services through access to potable water, Sub-national Food & Nutrition planning, vocational training and agriculture based income generating interventions (DRD).
- Scaled up delivery of land titles to vulnerable populations (poorest, women, groups without access to resources) (DALMS).
- MOALI Capacity for nutrition-sensitive action strengthened (DoP, ADSISU and NNC)

Direct Outputs

- Supporting Policy development and institutional capacities (through improved service delivery, additional fiscal space created by the transfer of funds and increased predictability of funds;
- Building critical capacities in MOALI through TA complementary measures with a focus on the implementation of the Agriculture Development Strategy focus areas and service delivery -seeds, livestock, land, water- and its contribution to the MS-NPAN, as well as PFM, Budgeting, planning, M&E and research).
- Knowledge-related solutions. Scientific knowledge on Nutrition Sensitive Agriculture and statistically-relevant data are produced and liaised with decision makers to inform evidence-based policies through Technical Assistance complementary measures provided by European research institutions
- Nutrition-sensitive agriculture interventions are piloted, scaled up and complemented with safety nets, nutrition social behaviour change communication, and WASH promotion through a LIFT complementary measure support package in conflict areas.
- Pro-poor value chains for nutrition are promoted through a Delegation Agreement complementary measure

6) Past EU assistance and lessons learnt.

The Proposed Action builds directly on and aligns itself with the newly launched Agriculture Development Strategy (ADS) as well as the MS-NPAN.

The theory of change for this operation is based on a vast body of accumulating evidence. This concerns in particular global evidence for the identification of relevant impact pathways describing the agriculture sector's contribution to nutrition (IFPRI, SPRING/USAID, FAO, Lancet series, World Bank etc.) and Myanmar specific evidence as derived from Myanmar's Demographic and Health Survey (2015-16), the LIFT Multi-donor fund that the EU has been supporting since 2010, WFP, UNICEF, Save the Children, GRET, World Bank, SUN network etc. The programme has been informed by the experience from previous and ongoing programmes as well as from the many consultations undertaken as part of the programme design process.

In particular, the formulation of the Proposed Action builds on the preparation of a Policy Eligibility Assessment (focussing on the ADS and MS-NPAN) as well as on earlier sub-sectoral level Policy Eligibility Assessment focussing on the Livestock / Veterinary Services as well as Agricultural Extension services.

7) Complementary actions/donor coordination.

The multiplicity of development partners in Myanmar/Burma enhances challenges of donor coordination, given capacity constraints, calling for partnerships between DPs where feasible.

The total official development assistance (ODA) flows to the agricultural sector was reported to be 78.9 million USD in 2014³. An analysis was carried out for the preparation of this document based on the information supplied by the MOALI DoP. Between 2010 and 2017, MOALI has been supported with 160 million USD of ODA and 73 completed projects, funded by more than 20 developmental partners and implemented by more than 40 developmental agencies (UN and bilateral), NGOs and private companies. FAO, JICA and ACIAR are the agencies with higher numbers of projects (as per the MoUs signed) with 9, 7 and 4 respectively.

Donor coordination will essentially be ensured on the basis of the regular meetings held at the level of the Sector Coordination Groups, namely the Nutrition SCG and the Agriculture and Rural Development SCG.

3. Communication and visibility

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

It is foreseen that a contract for communication and visibility may be contracted.

³ CSO & UNDP (2017). Measuring Myanmar's Starting Point for the Sustainable Development Goals: SDG Baseline Indicator Report. Central Statistics Office and United Nations Development Program. August 2017. http://www.mm.undp.org/content/myanmar/en/home/library/SDGs/Measuring_Myanmar_Starting_Point_for_the_SDGs.html

4. Cost and financing

Sector reform contract	EUR 70 million
Complementary measures	EUR 41 million
Communication and evaluation	EUR 1 million
Total EU contribution	EUR 112 million



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This action is funded by the European Union

ANNEX

of the Commission Implementing Decision on the financing of the Annual Action Programme in favour of Myanmar/Burma for 2019 part 2

Action Document for Enhancing Rural Nutrition in Myanmar: support to the National Agriculture Development Strategy and its contribution to the Multi-Sectoral National Plan of Action for Nutrition

ANNUAL PROGRAMME/MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	Enhancing Rural Nutrition in Myanmar: support to the National Agriculture Development Strategy and its contribution to the Multi-Sectoral National Plan of Action for Nutrition CRIS number: ACA/2019/039-998 financed under the Development Cooperation Instrument	
2. Zone benefiting from the action/location	Asia, Myanmar/Burma The action shall be carried out at the following location: all regions and states of Myanmar	
3. Programming document	Addendum No 1 to the Multiannual Indicative Programme (2014-2020) for Myanmar/Burma ¹	
4. SDGs	This Action contributes primarily to the progressive achievement of SDG Goal 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture", as main SDG goal, but also promotes progress towards Goals 1 (No Poverty), 3 (Good Health and Well-being) and 5 (Gender Equality) as secondary SDG goals.	
5. Sector of intervention/ thematic area	Nutrition, Governance	DEV Assistance: Yes
6. Amounts concerned	Total estimated cost: EUR 112 000 000	

¹ C(2018)4741 of 20 July 2018

	Total amount of EU budget contribution EUR 112 000 000 of which EUR 70 000 000 for budget support and EUR 42 000 000 for complementary support			
7. Aid modality(ies) and implementation modality(ies)	Budget Support Direct management through: - Budget Support: Sector Reform Performance Contract - Procurement Indirect management with the entity(ies) to be selected in accordance with the criteria set out in sections 5.4.3 to 5.4.5			
8 a) DAC code(s)	12240 (basic nutrition)*			
b) Main Delivery Channel	12000 (Recipient Government)			
9. Markers (from CRIS DAC form)³	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	x	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	x	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment ⁴	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	*<input type="checkbox"/>	<input type="checkbox"/> x
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	x	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	x	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	<input type="checkbox"/>	x	<input type="checkbox"/>	
10. Global Public Goods and Challenges (GPGC) thematic flagships	Food and Nutrition Security Impact, Resilience, Sustainability (FIRST)			

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SUMMARY

In spite of strong economic growth and poverty reduction over the past decade, Myanmar continues to suffer from a high prevalence of maternal and child undernutrition. While stunting, or chronic undernutrition, has declined from around 50% in the 1990s to 29.2% in 2016, there are still some 1.4 million children under five years of age who are classified as stunted. At Government level, Myanmar has embraced nutrition as a policy priority: in 2014,

Myanmar joined the Scaling Up Nutrition (SUN) movement. In January 2017, the State Counsellor Aung San Suu Kyi (ASSK), convened multiple sectors and development partners for the first ever Inter-Ministerial Coordination Meeting on Nutrition. As a result, a Multi-sectoral National Action Plan for Nutrition (MS-NPAN) has been developed, and recently endorsed by concerned Ministries, within the context of the recent high-level political commitment to address malnutrition in Myanmar as a multi-sectoral issue. The MS-NPAN has assigned specific objectives to be attained by sectorial Ministries, with the Ministry of Agriculture Livestock and Irrigation (MOALI) being responsible for the improvement of three outcomes: rural incomes, diversification of food production and food safety. In June 2018, MOALI launched its sector Agricultural Development Strategy (ADS) with the ambition to reform the rural sector, including through better service delivery, planning and targeting.

The Proposed Action will primarily focus on supporting the implementation of the ADS in the policy areas that have a more direct contribution to the reduction of malnutrition, realising MOALI's foreseen contribution to the MS-NPAN of diversifying food production, improving rural incomes and improving food safety.

The overall objective of the Proposed Action is to contribute to the reduction of all forms of undernutrition in women of reproductive age, infant and under-five children. This will be achieved through six Specific Objectives: i) improved food diversity in households and local markets (availability), ii) increased access to diversified diets through improved incomes (access), iii) improved safety along food supply and value chains to enhance access to safe and nutritious food, iv) improved access to potable water in rural areas and of vulnerable groups, v) empowerment of women to actively participate and/or take informed decisions in agricultural/livestock production, value chain and household dietary intake, vi) institutional Capacity Strengthened of MOALI (including for Improved quality, transparency and accountability in the Public Financial Management – PFM - and budget oversight systems).

The Budget Support component of the Proposed Action will primarily focus on expanding MOALI's capacity to deliver on a well-defined range of ADS critical nutrition sensitive agricultural services and interventions (seeds, livestock, land use, etc.) with a focus on the most vulnerable farmers. Through this action, public spending on agriculture and rural infrastructure through MOALI will achieve greater outcomes in the area of nutrition.

In addition complementary measures will focus on providing technical assistance to MOALI, provide robust support to the broader Public Finance Management reform, support nutrition interventions in conflict areas where the Ministry is weakly positioned to do so and enhance private sector approaches through pro-poor value chains to improve increased rural incomes for nutrition.

1 CONTEXT ANALYSIS

1.1 Context Description

Myanmar has experienced a rapid decline in malnutrition figures in just a few decades; stunting among children under 5, or chronic malnutrition, reduced by 25% between the 1990's and 2016 (Demographic Health Survey, 2015-16). However, despite this progress and more than a decade of sustained economic growth one in three children in Myanmar are stunted. Acute malnutrition, or wasting, still affects 7% of preschool children and micronutrient deficiencies persist; 57.8% of children age 6-59 months and 46.5% of women of reproductive age suffer from anaemia, attributable in part to inadequate intake of iron. Chronic malnutrition figures are highest among children from poorer rural households (up to 40%), households with low mother's education, landless households, and in several ethnic upland areas that are or have been affected by protracted conflict (around 40% in Kachin,

Shan, Chin, Rakhine and Kayah. Approximately 72% of the country's population lives in rural areas where 87% of poverty is concentrated.

Key agricultural services provided by MOALI such as credit, land tenure security⁵, research and extension services have tended to favour rice production at the expense of agriculture diversification, which has compromised poverty reduction potential, resilience, and ultimately dietary diversification.

The productivity and nutritional impact of the agricultural sector is also compromised by gender inequalities in the smallholder sector. Social and cultural discrimination of women restricts their access to resources, credit, training, advice and voice in decision-making. Their use of time bears the double workload of productive and household responsibilities, and tasks such as collecting water are becoming more onerous in the dry season because of the impact of climate change. In areas of significant outmigration, labour shortages constrain agricultural activities. Women's nutritional needs are greater than for men, especially during pregnancy and lactation (further affecting the health of the child) and yet, women's labour/time burden and food taboos often negatively affect a woman's nutrition practices and intake. Whilst food security may be achieved at the household level, intra-household dynamics may result in uneven food distribution between household members resulting in poorer diets for women and children. Dietary diversity is a key constraint in Myanmar to improve nutrition and it is a fundamental objective of existing Government plans to consider the contribution of agriculture (as well as access to potable water to reduce diarrheal diseases) to nutrition. Finally, conflict and conflict dynamics are determinant to explain the underlying causes of poor nutrition in ethnic areas.

1.2 Policy Framework (Global, EU)

The action addresses in priority Sustainable Development Goal (SDG) 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture", but also SDG goal 1, reducing rural poverty, SDG 5 on gender equality and empowerment of women and girls and SDG 6 clean water and sanitation. Complementary measures will support convergence with other goals including SDG 3 on access to improved health services and SDG 6 to improve access to clean water and sanitation. It also contributes to article 14 of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) regarding the specific problems faced by rural women, specifically: access to extension services, technical proficiency, resources and credit. The action directly contributes to EU Gender Action Plan II priority B, objective 12 (Healthy nutrition levels for girls and women and throughout their life cycle) and priority C, objectives 13 on vocational training, 14 on decent work, and 15 regarding access to productive resources. The action is fully aligned with the EU policy framework on nutrition⁶

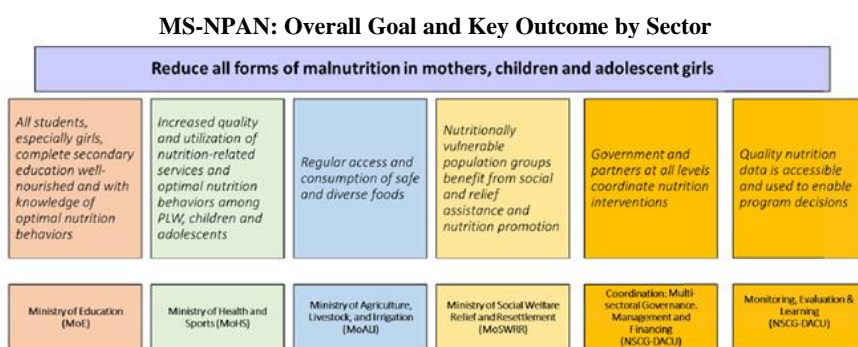
⁵ The current Myanmar legislative framework for land tenure, particularly the Farm Law and VFV law of 2012 limit access to land and land title, notably for vulnerable groups such as ethnic minorities and IDPs.

⁶ The 2013 EU Communication on Nutrition 'Enhancing Maternal and Child Nutrition', the 2014 DEVCO Action Plan on Nutrition, the DEVCO Corporate Objective 2 and Nutrition Result Chain.

1.3 Public Policy Analysis of the partner country/region

At Union level, Myanmar has embraced nutrition as a policy priority: in 2014, Myanmar joined the Scaling Up Nutrition (SUN) movement. In January 2017, the State Counsellor, ASSK, convened multiple sectors and development partners for the first ever Inter-Ministerial Coordination Meeting on Nutrition. This was followed by the establishment of a Nutrition Sector Coordination Group (NSCG) under the umbrella of the Development Assistance Coordination Unit (DACU), signalling the importance of nutrition as a priority area for development assistance.

A Multi-sectoral National Action Plan for Nutrition (MS-NPAN) has been developed within the context of the recent high-level political commitment to address malnutrition in Myanmar as a multi-sectoral issue and to deliver a prioritised package of essential nutrition services/interventions. The MS-NPAN is based on the underlying assumption that by leveraging the collective and complementary inputs of multiple sectors with different strengths, and enabling convergence of interventions and services at the community, household and individual level it will be possible to have a significant impact on nutrition outcomes. The MS-NPAN was recently endorsed (November 2018) by all concerned sectorial Ministries.



Myanmar’s Ministry of Agriculture, Livestock and Irrigation (MOALI) is one of the four key Ministries identified as having a central role to play in the fight against malnutrition in Myanmar. The MS-NPAN key result area for MOALI is to assure regular access and consumption of safe and diverse foods for the entire population, which will be supported by three key outcomes: agriculture diversification, rural income generation, and food safety.

In June 2018, MOALI launched its sector Agricultural Development Strategy (ADS) with the ambition to reform the rural sector, including through better service delivery, planning and targeting and with five main overarching priorities: (i) improved food security and nutrition, (ii) increased smallholder farmer’s income, (iii) reduced rural poverty, (iv) enhanced trade competitiveness, (v) and strengthened and ensured farmers’ rights. It was developed over an eighteen-month period following an extensive consultation process with all sub-sectors across all fifteen regions and states of Myanmar.

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Through the improvement of the three nutrition outcomes of enhanced diversification of food production, rural incomes, and food safety across the ADS priorities, in selected subsectors (livestock, land, seed improvement and access) and targeting vulnerable groups, the programme will contribute to the higher level objective of improving dietary diversity in women and children. This will be coupled with support to improved access to potable water in rural areas (another key underlying factor behind poor child nutrition in rural areas) for which MOALI is also responsible.

The current policy will contribute to further progress in crosscutting areas such as gender. Both the ADS and MS-NPAN identify Gender inequality and insufficient women's rights in agriculture as an important issue for the sector.

1.4 Stakeholder analysis

At operational level, the key stakeholder is the Ministry of Agriculture, Livestock and Irrigation (MOALI) as lead Ministry for all agriculture sector matters under the MSDP. The result of the merging of three former separate Ministries, MOALI is currently a broad organisation with fourteen Departments and approximately 70,000 Staff nationwide. The main departments suggested for budget support focus are the Department of Agriculture Land Management and Statistics (DALMS), the Department of Rural Development (DRD), the Livestock Breeding and Veterinary Department (LBVD), the Department of Agriculture (DOA) and the Department of Planning (DoP). DoA, LBVD and DALMS are departments that deliver services that have the highest potential to contribute to increased income, diversification and food safety, while having a track record of good performance. DRD is a highly efficient department responsible for potable water, vocational training and village planning. Finally, DoP is responsible for the overall planning, M&E, ADS design/mainstreaming, and contribution to nutrition/MS-NPAN in the Ministry. The Agricultural Development Strategy Implementing Support Unit (ADSISU) is being created to support MOALI at the level of the Union Minister's cabinet implementing the ADS. The Ministry of Planning and Finance (MoPF) is another core stakeholder as well as the Parliaments Public Account Committees. The programme will also promote a close cooperation with NSCG to coordinate action on nutrition across sectors

The Livelihoods and Food Security Trust Fund (LIFT) is a multi-donor fund established in 2009 to improve the lives and prospects of smallholder farmers and landless people in rural Myanmar.

Other government-led Sector Coordination Groups (SCGs) are:

Agriculture & Rural Development Sector Coordination Group (Chaired by the Union Minister of MOALI) where the EU is already active. The UN facilitator providing secretarial support and technical assistance to MOALI for this SCG is the Food and Agriculture Organisation (FAO).

Nutrition Sector Coordination Group (Chaired by the Union Minister of Health and Sports) will convene once the MS-NPAN is endorsed. ToRs remain to be drafted but the fact that an NSCG is one of the sector working group is a recognition the GoM's commitment, at the highest level, to reducing malnutrition in Myanmar.

The Scaling up Nutrition Network in Myanmar is an active network in Myanmar composed of Government, donors, UN agencies, and Civil Society, each of which convenes individually at times.

The EU-FAO partnership 'Food and Nutrition Security Impact, Resilience, Sustainability and Transformation' - FIRST, is supporting the GoM and MOALI in particular through several processes in the areas of nutrition, land and planning, including critical contributions to the ADS, the MS-NPAN, and the National Land Use Policy. FIRST provides technical assistance and policy advice to improve intra-sector (between the many Departments of MOALI) and inter-sector coordination (MS-NPAN through SUN and the National Nutrition Centre-NNC), and strengthen linkages between public sector and Development Partners.

SUN NGO network which groups national and international NGO/CSO that are particularly active in advocating for improved nutrition security and groups related to access to natural resources (e.g. The Land Core Group).

1.5 Problem analysis/priority areas for support

Myanmar remains one of the world's 36 high-burden countries for chronic malnutrition. The drivers of malnutrition in Myanmar are many and vary across the country's many diverse agro-ecological zones, 135 officially-recognised ethnic groups, conflict affected areas, central versus border areas, and urban versus rural settings^{7,8,9}. A combination of inadequate access to health services, infant and young child feeding practices, water hygiene and sanitation, and dietary diversity contribute to these sustained rates. It is clear that dietary diversity, hygiene and sanitation are key constraints in Myanmar to improve nutrition figures.

The contribution that the agriculture sector could make to improved nutrition in Myanmar is constrained by the fact that the delivery of agricultural services by MOALI is largely 'rice-centric' (as opposed to nutrition-sensitive), has limited reach to the most vulnerable and rarely takes into account gender roles.

The poorest and most vulnerable segments of the rural population remain largely underserved with regard to access to basic services, including agricultural services (and others such as potable water). Among the services delivered by MOALI, access to quality seeds and to animal health and production have the largest potential to improve the diversification of production and income levels of vulnerable farmers. Access to land and land use restrictions remain critical limiting factors for poor farmers, since land use policy and barriers to land tenure have restricted their possibilities to diversify their production and their sources of income. Access to services, land and natural resources is a particularly difficult for vulnerable groups such as IDPs.

Smallholders in the uplands and dry zone complement their sources of income from main harvest, notably during the lean season, with animal products and cash crops (coffee, cardamom, small livestock, etc.). However many of the value chains for these complementary

⁷ LIFT LEARN (2016). Undernutrition in Myanmar

⁸ LIFT CONCERN (2017). Nutrition causal analysis study in Kayin State 2017

⁹ MIID (2017). KAP Study in Hakha, Chin State

sources of income remain underdeveloped. By improving local processing, supplier extension services, women's asset control, market information and farmer's organisations, smallholders and vulnerable farmers can significantly increase their household income, their resilience and their access to improved food consumption.

PFM in Myanmar and at MOALI in particular needs reinforcement. The main weaknesses identified in the PFM systems in Myanmar are related to : (i) the links between planning and budgeting processes; (ii) the budget preparation process, budget predictability and cash management ; (iii) the accounting and reporting provisions ; (iv) sub-national government finance ; (v) the access to information ; (vi) the fiscal risk reporting ; (vii) central government operations outside budget and financial reporting ; (viii) revenue administration ; (ix) internal control and internal audit ; (x) external audit and parliamentary scrutiny.

1.6 Other areas of assessment

1.6.1 Fundamental values

The 2015 election and the smooth handover of power to the new government led by the National League for Democracy demonstrated that remarkable progress had been achieved over a comparatively short period. However, under the current constitution the military remains an important political actor, occupying 25% of parliamentary seats unelected, holding a veto power over constitutional amendments and providing three key ministerial posts. Serious challenges remain in the area of rule of law, human rights and gender equality. In some areas, such as freedom of expression, of speech and of media, there have been signs of backsliding. The peace process is a key area, benefitting from significant EU support, where progress should contribute to important improvements in respect of human rights, particularly rights of [persons belonging to minorities](#).

The Advisory Commission on Rakhine State, led by Dr Kofi Annan, presented its final report to the Myanmar/Burma government on 25 August 2017. The report was accepted by the government, which has set up a committee, tasked with implementing recommendations from the report. Just after the publication of the report, the insurgent group Arakan Rohingya Salvation Army (ARSA) launched terror attacks on police and border posts. This triggered in return a heavy-handed military response. These operations have led to the internal displacement of around 30,000 Rakhine and other non-Muslim ethnic minorities as well as an exodus of over 730,000 Rohingya Muslim refugees into neighbouring Bangladesh.

The September 2018 UN Fact-Finding Mission report pointed out to the possible commission of 'genocide intent' in Rakhine State. The findings also indicated that the military and security forces in Kachin and Shan States have committed crimes against humanity.

With reference to EU budget support guidelines, a Sector Reform Performance Contract aims to promote sector policy reforms and to ensure and protect delivery of basic services to all the people, with particular attention to vulnerable groups. It offers an effective platform for dialogue, not only on the specific areas targeted by the operation, but also on broader issues linked to the fundamental values. It offers an opportunity to promote the EU rights-based approach and commitment to gender equality. In the current circumstances therefore, the proposed Nutrition and Agriculture Sector Reform Performance Contract, which has a very high level of support across government, offers a precious and important entry point for the EU and Member States to demonstrate their continuous engagement with the government and commitment to support development across the country.

1.6.2 Macroeconomic policy

Based on the macroeconomic eligibility criteria, Myanmar is eligible for budget support. Since 2016, the government is pursuing both relevant and credible stability-oriented policies. However, progress in their implementation is slow, due to considerable institutional capacity constraints. The International Monetary Fund (IMF) has recently (December 2018) indicated that despite the satisfactory performance attention must be paid to the depreciation of the Kyat coupled with the low level of reserves. Nonetheless, the medium-term macroeconomic outlook and long-term growth prospects remain favourable.

1.6.3 Public Financial Management (PFM)

Despite the significant institutional challenges, capacity constraints and limited resources, the pace of PFM reform in Myanmar has been sustained and key changes were brought to the entire system. The new Government has now adjusted its national policies and seems resolute to implementing its reforms. The Myanmar PFM reform is both relevant and credible.

1.6.4 Transparency and oversight of the budget

The entry point for the budget transparency and oversight criteria for Myanmar is met. The availability of fiscal information to the public, specially related to the Budget, has improved substantially since the latest Public Expenditure and Financial Accountability (PEFA) in 2013. The budget was first published in 2015 in a summary format. The conclusion about the eligibility criteria on transparency and oversight for initial disbursement is favourable.

2 RISKS AND ASSUMPTIONS

Risks	Risk level	Mitigating measures
Risk that the public policy (ADS, MS-NPAN) will not lead to the achievement of agreed development results, for lack of implementation capacities, in particular with regard to inter-sectoral coordination.	Substantial	The programme will provide technical support in this area. A basic element of the dialogue will be resource allocation within MOALI taking into consideration the specific needs for integrated nutrition interventions, and data collection and analysis. Also, as an element of policy dialogue, the EUD will actively participate in coordination through the Nutrition Sector Coordination Group.
The Nutrition Sector Coordination Group is unable to promote effective Cooperation Partner (CP) coordination and is unable to maintain a high level commitment with collaborating ministries and other (sub-national) stakeholders.	Medium	The EUD will lobby for progressively increasing national coordination and budget allocations (from the EU or other partners) in support of the key nutrition priority interventions in the areas identified in the MSNPAN. Emphasis will be placed on the need for Annual Work Plans and Budgets at all levels of the GoL (national, provincial, district) and for all the relevant key sectors to explicitly include nutrition priority interventions through their sector plans.

Weak institutional capacities together with uneven lower-level ownership and awareness of key ADS reform strategies.	Medium	Continued policy dialogue with the government, together with other CPs, on key nutrition related reforms of the ADS, MS-NPAN and policy priorities, acknowledging current system capacity, with joint support for capacity development, particularly on gender.
Risk of limited accountability of economic actors in conflict areas and in the management of natural resources (e.g. land).	Medium	The programme will be implemented with the comprehensive approach to conflict prevention (CC January 2018) through which, among others, conflict analysis in those areas and sectors deemed conflict sensitive will be conducted.
Risk that discriminatory policies towards minority groups restrict access to services.	Substantial	The programme will be implemented under the principle of equal access and a non-discriminatory policy.
Assumptions		
<ul style="list-style-type: none"> • The political and socio-economic inclusive transition will be sustained. • The government remains committed to implementation of the ADS and in the future to the MS-NPAN. • The government will implement its declared priorities. in particular (i) progress in national reconciliation and peace (ii) progress in the implementation of the recommendations of the Advisory Commission on Rakhine State; (iii) commitment to the different reform processes, for development of education services and improvement of PFM systems. • Government and CPs will continue to cooperate effectively. 		

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The Proposed Action builds directly on and aligns itself with the newly launched Agriculture Development Strategy (ADS) as well as the MS-NPAN.

The theory of change for this operation is based on a vast body of accumulating evidence. This concerns in particular global evidence for the identification of relevant impact pathways describing the agriculture sector's contribution to nutrition (IFPRI, SPRING/USAID, FAO, Lancet series, World Bank etc.) and Myanmar specific evidence as derived from Myanmar's Demographic and Health Survey (2015-16), LIFT, WFP, UNICEF, Save the Children, GRET, World Bank, SUN network etc. The programme has been informed by the experience from previous and ongoing programmes as well as from the many consultations undertaken as part of the programme design process.

In particular, the formulation of the Proposed Action builds on the preparation of a Policy Eligibility Assessment (focussing on the ADS and MS-NPAN) as well as on earlier sub-sectoral level Policy Eligibility Assessment focussing on the Livestock / Veterinary Services as well as Agricultural Extension services.

3.2 Complementarity, synergy and donor coordination

The multiplicity of development partners in Myanmar/Burma enhances challenges of donor coordination, given capacity constraints, calling for partnerships between DPs where feasible. The total official development assistance (ODA) flows to the agricultural sector was reported to be USD 78.9 million in 2014¹⁰. An analysis was carried out for the preparation of this document based on the information supplied by the MOALI DoP. Between 2010 and 2017, MOALI has been supported with USD 160 million of ODA and seventy-three completed projects, funded by more than twenty developmental partners and implemented by more than forty developmental agencies (UN and bilateral), NGOs and private companies. FAO, JICA and ACIAR are the agencies with higher numbers of projects (as per the MoUs signed) with nine, seven and four respectively. Donor coordination will be ensured on the basis of the regular meetings held at the level of the Sector Coordination Groups, namely the Nutrition SCG and the Agriculture and Rural Development SCG.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

Overall Objective (impact) OO1: Reduction of malnutrition in women of reproductive age, infant and under-five children through secured regular access and consumption of safe and diverse food and access to potable water in Myanmar.

A number of SDG indicators measure the causes and manifestations of chronic malnutrition; a multi-sectoral approach is required to address these. By improving women's dietary diversity, and access to potable water, the program seeks to contribute to the overall reduction of malnutrition in women, adolescents and children. In addition, the operation will support two crosscutting areas: women's empowerment and institutional capacity strengthening.

The six specific objectives/outcomes (SOs) contributing to the overall objective of improving Dietary Diversity and access to potable water are as follow^{11,12}:

SO.1: Improved food diversity in households and local markets (availability) measured notably by: (i) Number of selected food items (representative of the seven food-groups used in DHS) that are regularly found in selected local markets (representative of agro-ecological zones) and (ii) Food Balance sheet in selected local markets of areas of intervention (cereals + non-cereals). This is also the first of the MS-NPAN Outcomes contributed by MOALI.

SO.2: Increased access to diversified diets through improved incomes (access) as measured notably by: (i) Share of household (HH) income spent on food and (ii) Food Poverty (Male/Female HH and rural /urban). This is also the second of the MS-NPAN Outcomes contributed by MOALI.

¹⁰ CSO & UNDP (2017). Measuring Myanmar's Starting Point for the Sustainable Development Goals: SDG Baseline Indicator Report. Central Statistics Office and United Nations Development Program. August 2017. http://www.mm.undp.org/content/myanmar/en/home/library/SDGs/Measuring_Myanmar_Starting_Point_for_the_SDGs.html

¹¹ Note: the indicators are not exhaustively listed. Additional indicators are available in the attached Results Framework ([refer to Appendix](#)).

¹² The 6 specific objectives and how the planned induced outputs will be contributing to expected outcomes is presented in Appendix of this Action Document

SO.3: Improved safety along food supply and value chains to enhance access to safe and nutritious food as measured notably by: (i) Compliance with GAP Guidelines within value chains and (ii) number of selected value chains with traceability systems in place. This is also the third of the MS-NPAN Outcomes contributed by MOALI.

SO.4: Improved access to potable water in rural areas and of vulnerable groups as measured by: proportion of rural population using safely managed drinking water services.

SO.5: Women empowered to actively participate and/or take informed decisions in agricultural/livestock production, value chain and household dietary intake as measured notably by: (i) Percentage of people (incl. women) with ownership or secure rights over agricultural land (ii) Female-headed household income, and (iii) Women's Empowerment in Agriculture Index.

SO6: MOALI Institutional capacity strengthened for improved quality, transparency and accountability in the PFM and budget oversight systems as measured notably by: the number of nutrition related outcome indicators included in MOALI's performance framework

In order to contribute to the above specific objectives the following Induced Outputs (IO) and Direct Outputs (DO) are expected in relation to selected MOALI services and complementary measures:

Induced Output 1: Scaled-up and increasingly inclusive delivery of horticulture/fruit seeds (DoA, horticulture). Contributes to Outcomes: 1, 2, 3 and 5. Diversification of agriculture production is the cornerstone of the ADS and yet without good seed stock and saplings available to farmers, particularly for the marginal and vulnerable whose purchasing power is already constrained, diversification will not be possible.

Induced Output 2: Scaled up & increasingly inclusive delivery of Veterinary/livestock services for small livestock (LBVD). Contributes to outcomes: 1, 2, 3 and 5. As indicated in the MS-NPAN, Animal-sourced foods (ASF) including meat, eggs, and dairy products are a rich source of protein, vitamins, iron, calcium, and folate.

Induced Output 3: Rural development services through access to potable water, sub-national food & nutrition planning, vocational training and agriculture-based income generating interventions (DRD). Contributes to outcomes: 2, 4, 5 and 6. DRD is responsible for rural water supply (jointly with MOHS and MOE it also encourages convergence with WASH) and rural water management structures at village level. Support to DRD in providing access to water to vulnerable populations through infrastructure development can be instrumental in achieving undernutrition reduction. DRD is also responsible to facilitate the development of Village Development Plans, which places DRD in a strategic position to convene stakeholders at village and township level.

Induced Output 4: Scaled up delivery of land titles to vulnerable populations (poorest, women, groups without access to resources) (DALMS). Contributes to outcomes: 1, 2, 5 and 6. An enabling land tenure framework does not underpin diversification of agriculture production. In fact, current land legislation may drive smallholder farmers away from engaging in production systems that are considerably more nutrition sensitive such as agroforestry, aquaculture-livestock mixes, orchard-annual crops-legumes systems, and

shifting cultivation than e.g. rice production. Recent revision of the Vacant, Fallow and Virgin Land law have shown the risk linked to and failing of the land property and land use legal framework. DALMS can further enhance policies to provide access to land titles and regularise regulations to favour integrated systems. The 2016 National Land Use Policy (NLUP) has used the FAO VGGT guidelines extensively¹³. Nonetheless the NLUP has not yet been able to permeate fully the existing land legal framework in Myanmar.

Induced output 5. Improved MOALI Capacity for planning, M&E , coordination of nutrition-sensitive actions and Budget scrutiny on Agriculture spending heightened with strengthened capacities of all stakeholders (DoP, ADSISU and NNC). Contributes to outcome: 6. The DoP will need extensive capacity strengthening to realise its mandate, including Monitoring and Evaluation. In addition, the ADS proposes a number of reforms to support this transition, the most important one being the establishment of the ADS Implementation Support Unit (or ADSISU) under the Minister's Office. The action will also support the overall coordination and implementation of the MS-NPAN by supporting the Nutrition Sector Coordination Group secretariat and the current institution leading in multi-sectorial / cross-ministerial coordination the National Nutrition Centre (NNC). This support will include the development of the MSNPAN M&E system for all Ministries and especially the Ministry of Education, where inclusiveness of education and particularly of young girl's will be emphasised. Support to the Scaling up Nutrition Movement (SUN) will also be considered.

Direct Outputs

Direct Output 1: Supporting Policy development and institutional capacities through improved service delivery, additional fiscal space created by the transfer of funds and increased predictability of funds; reduced transaction cost, strengthened capacities conducive to reforms, improved monitoring and reporting of reforms, a more aligned and coordinated policy dialogue, PFM and strengthening of intra-sectoral linkages as well as Multi-sectoral linkages (e.g. within the MS-NPAN Ministries and MoPF). Contributes to all outcomes.

Direct Output 2: Building critical capacities in MOALI through TA complementary measures with a focus on the implementation of the Agriculture Development Strategy focus areas and service delivery (seeds, livestock, land, water) and its contribution to the MS-NPAN, as well as PFM, Budgeting, planning, M&E and research. Contributes to all outcomes.

Packages of technical assistance will be mobilised at Union and Regional level to work with MOALI teams to carry out baseline studies, capacity building activities on food security and nutrition, research on nutrition-sensitive agriculture indicators and communication activities at Union, State Regional levels (supporting DoP , ADSISU and SCGs). Nutrition-sensitive M&E units will be strengthened in different MOALI departments (such as DoA, DALMS, LVSD, DRD) and in different ministries to work in a coordinated manner within the MS-

¹³ FAO Case Study VGGT in Myanmar, Nov 2016.

NPAN framework. Capacities will be built through specialised technical assistance to MOALI's Departments on the following topics: land, seeds, livestock, rural livelihoods, access to potable water/WASH, gender, etc. Effective guidelines for social inclusion and gender equality / targeting will be formulated and made operational. Capacities for social inclusion and gender equality in policy planning and implementation will be strengthened

The ADSISU (ADS Implementation Support Unit) will be reinforced with technical assistance packages, secondments. The targeting of vulnerable families will be done in a coordinated way, aiming at having a shared database of households covered by different ministerial departments. Sub-national MS-NPAN formulation processes will be triggered by this programme, providing technical and financial support to their implementation. Budgeting practices will be strengthened at MOALI with the aim of developing a results-based budgeting scheme. Finally Sectorial Coordination Groups and national nutritional platforms (such as NNC or SUN Myanmar) will be supported including in shared areas of responsibility (linking MOALI and Ministry of Health joint WASH actions at Township level).

Specific technical assistance services will focus on the strengthening of PFM at MOALI at Union and State / Region level. Taking into account the current weakness of PFM practices at MOALI, a particularly robust support for technical assistance to the broader Public Finance Management reform will underpin this action to ensure alignment of the PFM system strengthening at MOALI with the core PFM reform led by MoPF.

Direct Output 3: Knowledge-related solutions. Scientific knowledge on nutrition-sensitive agriculture and statistically-relevant data are produced and shared with decision makers to inform evidence-based policies through technical assistance services provided by European research institutions. Contributes to outcomes: 1, 2, 3, 4, 5 and 6.

Technical assistance will be provided to promote efficient approaches to test the delivery of nutrition-sensitive agriculture and land services (combining pilot activities with applied research to generate scalable practices) (for Yezin University, DoA, LBVD, DALMS and DRD). Strengthened partnerships for joint research on nutrition-sensitive agriculture (Department of Agricultural Research) with international research teams will be promoted.

Direct Output 4. Nutrition-sensitive agriculture interventions are piloted, scaled up and complemented with safety nets, nutrition social behaviour change communication, and WASH promotion through a LIFT complementary measure support package in conflict areas. Contributes to outcomes 1, 2, 3, 4 and 5.

The Proposed Action will make a direct contribution to the nutrition and agriculture pillars of LIFT's strategy namely in conflict areas where Government outreach is limited. The support will be aligned with the ADS and its contribution to the MS-NPAN to which LIFT has planned to contribute (at the request of Its Fund Board of which EU is a member) with some expert positions. The implementation of the LIFT activities under this Action Document will also contribute to the strengthening of Government capacities and policies in areas related to nutrition other than agriculture (e.g. Social Welfare Policy, Sanitation, referrals of wasting cases to nutrition centers) and ensure convergence of policies between conflict areas and non-

conflict areas. There will be an increased emphasis in the support LIFT will provide for the roll out Department of Social Welfare's programme for Maternal and Child Cash Transfers (MCCT) programme to reduce undernutrition. The Director General of DSW will also be invited to join the LIFT Fund Board discussions. In conflict areas conflict analysis will be conducted and international humanitarian principles (e.g. do no harm) used to guide interventions. In addition, through specific calls for proposal, CSOs will be expected to pilot and test innovative and cost effective approaches for the delivery of nutrition sensitive agriculture services such as (i) dietary diversity promotion and (ii) inclusive agriculture, veterinary, and land and livelihood support services. It is expected that these contributions will be – albeit not exclusively - delivered in remote / conflict area where MOALI has limited presence. Specific analytical services will also be commissioned such as in order to assess the program contribution to MDD-W, FIES and MAD indicator baselines and surveys. Contributions will also be made to the nutrition/ health pillar of LIFT strategy in a view to potentially enhance impacts through convergence of intervention.

Direct Output 5. Pro-poor value chains for nutrition are promoted through a Delegation Agreement complementary measure. These value chains could include seed systems, post-harvest technologies, and good practices of processing and food safety. Contributes to outcomes 2 and 3.

The Proposed Action will support the development of market / private sector driven solutions underpinning the development of nutrition sensitive agriculture value chains and contributing to ADS objectives. This support will be provided in close collaboration with the MOALI departments performing value chain related work (e.g. Department of Agriculture or Department of Cooperatives). Private sector will be directly addressed as one of the key stakeholders in order to improve the efficiency, inclusiveness and market access for select commodities. It is anticipated that smallholder participation will be sustainably enhanced through greater access to credit, technical solutions and access to quality seeds / genetic material, the strengthening of cooperatives, as well as the access new markets. Increased value addition and involvement of women will be promoted, notably by focussing on quality (GAP, labels) and processing as well as the introduction of food safety practices and standards. Micro, Small and Medium Enterprises will be provided technical assistance and access to finance. Farmers organisations will be strengthened. The focus will be on commodities for which smallholders living in remote/conflict areas have a comparative advantage engaging into. Examples of smallholder based value chains could include ginger, fruits, cardamon, pulses, coffee, specialty tea, small livestock such as native poultry and homestead pigs.

Budget Support

Main activities of the budget support component include:

- The transfer of a maximum of EUR 70 million to the Treasury account at the Central Bank of Myanmar, if disbursement conditions are met. The transfer will take place in fixed and variable tranches. The indicated amount is provided as **sector budget support**, the proceeds of which will be used in accordance with the approved allocations in the annual budget.
- Performance assessment based on fulfilment of eligibility criteria for fixed tranches and achievement of targets for variable tranches.

- Implementation of complementary measures
- Policy dialogue based on the eligibility criteria for EU budget support and monitoring of satisfactory progress, as well as on the variable tranche indicators, and in agriculture sector. Policy dialogue related to PFM and budget transparency, with a focus on the agriculture sector, will include:
 - Supporting a reinforced overall political dialogue between the EU, including Member States, and the government, inter alia, on:
 - Supporting and promoting the aid effectiveness agenda between the government and development partners.
 - Progress in implementation of the ADS and MS-NPAN;
 - Provision of adequate resources to ensure service delivery for nutrition-sensitive interventions (with a focus on Government allocations at MOALI);
 - Progress in intra and inter-sectoral coordination of nutrition actions;
 - Implementation of the Specific Nutrition-sensitive Interventions;
 - Public finance management in the agriculture sector;
 - Social inclusion and gender equality in policy planning and implementation.
 - Promotion of inclusiveness in the access to services.
 - Preparation of the disbursement files and monitoring of performance targets and indicators to be used for disbursement;

4.2 Intervention Logic

There is currently a broad global consensus that, following the widely recognised UNICEF’s 1992 conceptual framework,¹⁴ a combination of (i) inadequate access to health services, water hygiene and sanitation (WASH); (ii) infant and young child feeding practices and (iii) inadequate dietary diversity determine the nutrition situation. These three pillars have been determinant in defining the nutrition policies of a broad range of development agencies within the EU¹⁵ and beyond. They have also been the conceptual framework under which the national multi-sectorial plans for nutrition have been drafted in high stunting burden countries, including Myanmar.

The agriculture sector is the primary driver for improving people’s access to diverse and safe diets. By working through a number of so-called ‘impact pathways’, dietary diversity may be improved by increasing (i) the productivity and availability of diverse, safe and nutrient-dense food products at local level, (ii) improving incomes to facilitate physical access to a diverse food basket, (iii) combining interventions with nutrition education to improve demand, and (iv) women’s empowerment to make informed decisions in agricultural/livestock production,

¹⁴ Lancet series. 2008. ‘The Lancet Series on Maternal and Child Nutrition’. <<https://www.thelancet.com/series/maternal-and-child-undernutrition>>

¹⁵ http://ec.europa.eu/europeaid/documents/enhancing_maternal-child_nutrition_in_external_assistance_en.pdf /https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/652122/nutrition-paper-2017a.pdf)

value chain and household dietary intake^{16,17,18}. These interventions require an enabling policy environment, institutional capacity strengthening, and a series of complementary efforts with non-State Actors including CSOs and the private sector. These so-called impact pathways are directly translated into outcomes in the Proposed Action intervention logic

With the overall objective of reducing malnutrition among targeted vulnerable groups, the Proposed Action will seek to support MOALI to 'improve consumption of diverse and safe diets' and 'access to potable water'. As articulated in the MS-NPAN, dietary diversity is a proxy for diet quality and a key determinant for adequate nutrition. Well-planned diversification of agriculture production and improved incomes are both instrumental to diversifying diets when complemented with nutrition education. Women empowerment is instrumental as well to ensure that increased income is translated into a more diverse food basket and improved diets for children and adolescent girls within the household.

The MS-NPAN preparation process highlighted and confirmed the expansive role that the Ministry of Agriculture Livestock and Irrigation should play in improving the nutrition situation in Myanmar. It acknowledges however that MOALI needs more focus on the delivery of agricultural services to the most vulnerable and the improvement of planning and budgeting capacities. The proposed action therefore intends to create the fiscal space and enhanced policy dialogue in support of improved service delivery for the Ministry to assume its role in contributing to the MS-NPAN effectively.

Transformative functions of the Sector Reform Performance Contract will be (a) increasing MOALI's reach to the most vulnerable rural populations by scaling up inclusive nutrition sensitive agricultural services (b) support to MOALI's efforts to establish accountability for the achievement of goals in nutrition (nutrition sensitive M&E systems) (c) the strengthening of Public Financial Management, planning, budgeting capacities in the agriculture sector. This structural change will enable Departments responsible for horticulture/seeds, livestock, potable water, land and planning to leverage their impact on nutrition. These areas of capacity building and improved service delivery have been identified as part of the priority areas of MOALI's newly launched Agriculture Development Strategy (e.g. Crop Inputs, Land Rights, Livestock, Rural Infrastructure, Planning, etc.) and are reflected in the induced outputs of the Proposed Action. The related departments have been selected based on a rapid analysis of absorption capacity, role in leveraging the impact of the sector on nutrition and potential capacity to target the most vulnerable.

The interaction between the aid modality of budget support and complementary support is expected to ensure MOALI's ownership and leadership, while at the same time providing opportunities for need-based support delivered by CSOs in conflict areas where there is limited outreach of Government services and for the private sector to enhance nutrition sensitive value chains. As such, the available funding intends to enable nutrition sensitive

¹⁶ Ruel, M.T., A.R. Quisumbing, M. Balagamwalab. 2018. 'Nutrition-sensitive agriculture: What have we learned so far?' *Global Food Security* (17): 128–153.

¹⁷ Jones, A., Searle, J., 2018 'Diversifying agriculture for healthy diets'. Global Nutrition Report. <<https://globalnutritionreport.org/blog/diversifying-agriculture-healthy-diets/>>

¹⁸ Fanzo, J., Hunter, D., Borelli, T., Mattei, F. 2013. 'Diversifying Food and Diets: Using Agricultural Biodiversity to Improve Nutrition and Health'. <https://www.biodiversityinternational.org/fileadmin/_migrated/uploads/tx_news/Diversifying_food_and_diets_1688_02.pdf>

service providers to deliver targeted interventions for children and women of reproductive age including in remote and conflict areas where MOALI has limited reach.

The Proposed Action aims to reach country-wide coverage with a focus on the most vulnerable farmers, nonetheless the programme shall remain flexible throughout its implementation, responding to service delivery capacity, the actual presence and new emergence of armed conflicts, specific needs of the population and to ensure sustainability of achievements and maximise results.

4.3 Mainstreaming

Gender¹⁹

The overall objective of the action targets women of reproductive age and children as the population most affected by chronic malnutrition. The aim is not only to put women at the centre of the action but to involve them as agents of change, since women's lack of empowerment is identified as one of the causes of malnourishment by the MS-NPAN.

On the policy implementation side, capacities of Ministry staff (especially extension personnel) will be strengthened in the field of social inclusion and gender equality. Guidelines in this field will be developed and personnel trained to implement them. The move towards gender budgeting will be included in policy dialogue and its basic principles will be covered in PFM trainings. Indicators have been selected to measure the gender impact of the action (and targets on women's participation have been included).

As indicated in the results framework, several indicators directly contribute to the EU's Gender Action Plan II and SDGs and are linked to gender commitments of the ADS, MS-NPAN and the National Plan for Women's Empowerment.

Conflict sensitivity

When implemented in conflict areas, the Proposed Action will be relying essentially on the Livelihoods and Food Security Fund (LIFT) and follow LIFT conflict sensitive principles.

The overall programme will be implemented with a focus on the comprehensive approach to conflict prevention (CC January 2018) through which, among others, conflict analysis in those areas and sectors deemed conflict sensitive will be conducted.

Biodiversity and Climate Change

The ADS includes environmental and social sustainability as a core principle. It notes that a range of new agro-ecological approaches are currently piloted in Myanmar including the sustainable rice initiative, green water management, nitrogen use efficiency, conservation agriculture, agroforestry, and organic agriculture. The ADS will promote the adoption of sustainable practices and approaches that enhance farmers' income. Promoting seed diversification will contribute to growing more nutritious food but also to biodiversity.

The Myanmar Climate Change Policy and Strategy, developed with the support of a EU-funded programme and soon to be adopted by Government of Myanmar, focuses in particular on the impact of climate change Agriculture sector and the opportunities for adaptation and

¹⁹The EU Delegation to Myanmar has conducted a gender analysis for the sector of rural development/agriculture/food nutrition and security in 2018.

mitigation to climate change. This action will align with the Myanmar Climate Change Policy and Strategy and increase the resilience of rural communities by improving access to land, water, resilient seeds and climate smart farming techniques.

4.4 Contribution to SDGs

This Action Document will contribute to the achievement of SDGs in Myanmar, particularly in those related to poverty, hunger reduction and gender equality (SDG 1, 2 and 5). Regarding commitments towards the SDGs, the GoUM has recently presented two documents that clearly point out to how the SDGs are given a relevant political role in framing development in Myanmar.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation of the budget support component

5.3.1 Rationale for the amounts allocated to budget support

The amount allocated for the budget support component is EUR 70 million, and for complementary support is EUR 42 million.

The amount for the Budget Support component is based on:

- The analysis of MOALI's budget over the past years, on the basis notably of the recent Agriculture Sector Public Expenditure Review (AgPER 2017, World Bank / LIFT);
- The assessment made that the absorption capacity of the MOLALI is broad enough for the amount to be committed by the EU. An amount of EUR 70 million (to be released over five fiscal years) translates into EUR 14 million per year in average which represents about 2% of MOALI's Budget, using 2017/2018 budget as a benchmark;
- Inclusiveness in service delivery by MOALI would entail securing very substantial increases in allocation to the service delivery Units of the Ministry. Currently, the annual budget of LBVD and DOA are approximately 0.6\$ and 2.6\$ per farmer respectively.

The amount for Complementary Measures is based on:

- The necessity to ensure convergence of MOALI's SRC/BS funded nutrition sensitive interventions with robust complementary interventions in a coherent and balanced way in order to ensure achievement of expected results and to maximise the potential impact of the intervention on nutrition.

- The scale of institution building required gives this Sector Reform Performance Contract elements in common with a State Building Contract. Therefore, a complementary support of EUR 42 million, including various packages of specialised technical assistance, is necessary to ensure the achievement of the objectives.

5.3.2 Criteria for disbursement of budget support

a) The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the Agriculture Development Strategy (ADS), the development and implementation of the subsequent Multi-Sectoral National Plan of Action on Nutrition (MS-NPAN) and continued credibility and relevance thereof;
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances;
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme;
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive and sound budgetary information.

b) The performance indicators for disbursement that may be used for variable tranches are the following:

-Tranches linked to **Outcome 6** - MOALI Institutional Capacity Strengthened including for improved quality, transparency and accountability in the PFM and budget oversight systems.

O6. Number of Nutrition related indicators (disaggregated) effectively included in MOALI's performance framework.

-Tranches linked to **Induced output 1** - Scaled-up and increasingly inclusive delivery of horticulture/fruit seeds – (Department of Agriculture, Horticulture section):

1.a. MOALI's seed/seedling production and distribution programmes are strengthened to enhance agriculture diversification (seeds for vegetable gardens, fruit orchards or high-value crops for sale) specifically targeting vulnerable farmers with high prevalence of undernutrition (including small-scale farmers, upland farmers, MHH, women in MHH, FHH and HH with malnourished children) .

-Tranches linked to **Induced output 2** – Scaled up and increasingly inclusive delivery of veterinary/livestock services for small livestock (Livestock, breeding and Veterinary Department)

2.a. Animal health services are strengthened to improve their coverage of small livestock belonging to vulnerable farmers in communities with high prevalence of malnutrition (including small-scale farmers, upland farmers, MHH, women in MHH, FHH and HH).

-Tranches linked to **Induced output 3** – Access to potable water and Rural Development Services through Sub-national Food and Nutrition planning including Vocational Training and livelihood programs (Evergreen Programme - Department of Rural Development)

3.a. The Rural Development Department develops and implements sub-regional plans to increase the number of households who have access to potable water coupled with WASH education.

3.b Increased coverage of Vocational Education and Training / Skill, coupled with nutrition education, and targeting of vulnerable females (GAP 13.10 / EURF 2.28)

Tranches linked to **Induced output 4** - Scaled up delivery of land titles to the poorest, with special attention to women and FHH (Department of Agricultural Land Management and Statistics)

4.a. Land policy implementation and new land use regulations contribute to increased access to land titles (in ha) by farmers in communities with high vulnerability and where land was held under informal arrangements (gender disaggregated, including husband-wife co-titling).

Tranches linked to **Induced output 5** - Improved MOALI Capacity for planning, M&E and coordination of nutrition-sensitive actions (Department of Planning and ADSISU), strengthened PFM capacities of all stakeholders (DoP, MOALI depts, subnational governments, Hluttaw at Union and provincial)

5.a. Number of sub-national (State/Regions) Agriculture Development Strategies/Plans that include nutrition indicators (disaggregated) and monitoring plans.

5.b. Number of MOALI Audited financial reports by OAGM are published (and include ADS/MS-NPAN-based performance information).

The chosen possible performance indicators and targets to be used for disbursements will apply for the duration of the action. However, in duly justified circumstances, the Myanmar Ministry of Agriculture, Livestock and Irrigation (MOALI) may submit a request to the Commission for the targets and indicators to be changed. Note that any change to the targets should be agreed ex-ante at the latest by the end of the first quarter of the assessed year. The agreed changes to the targets and indicators shall be agreed in advance and may be authorised in writing (either through a formal amendment to the financing agreement or an exchange of letters).

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

5.3.3 Budget support details

Budget support is provided as direct untargeted budget support to the national Treasury. The crediting of the euro transfers disbursed into Myanmar Kyats will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

A progressive split between fix and variable tranches is proposed in order to mitigate risks and ensure funds availability in the initial phase, and put more emphasis on sector performance during the last two years in order to emphasise improvements in nutrition outcomes in Myanmar, especially for disadvantaged groups.

Annual allocations between fixed and variable tranches are designed to:

- Provide a substantial incentive to address programme priorities from Year 1 through the fixed tranche;
- Be more result-oriented from year two onwards by reducing the amount for the fixed tranche while increasing variable tranche amounts;
- Spread financial allocations across variable tranches indicators to reflect priority areas within the nutrition sector and to set achievement of milestones at a realistic rate.

Indicative breakdown and timetable of disbursements (EUR):

Type	FY ²⁰ 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Base tranche	14 000 000	11 000 000	9 000 000	7 000 000	5 000 000
Variable tranche	-	3 000 000	5 000 000	7 000 000	9 000 000
<i>Total (EUR)</i>	14 000 000	14 000 000	14 000 000	14 000 000	14 000 000

5.4 Implementation modalities for complementary support to budget support

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²¹.

5.4.1 Procurement (direct management) - Research and capacity support to MOALI on nutrition-sensitive agriculture

This component covers the management of the complementary support and achievement of the results described in Direct Output 3. It will support MOALI and Yezin Agricultural University to inform on evidence-based nutrition-sensitive policies and develop research capacities.

Subject	Indicative type (works, supplies,	Indicative trimester of
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²⁰ Myanmar fiscal year runs 1st October – 30th September (change introduced in 2018)

²¹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

	services)	launch of the procedure
Package of TA support to MOALI on research and capacity building on nutrition and nutrition-sensitive agriculture	Services	3 rd Trimester 2019

5.4.2 Procurement (direct management) – Strengthening of Public Financial Management at MOALI

This component covers the management of a part of the complementary support and achievement of a part of the results described in Direct Output 2 in support to the Ministry of Agriculture, Livestock and Irrigation.

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Package of TA in support to the rolling out of the Myanmar PFM reform strategy at MOALI	Services	3 rd Trimester 2019

5.4.3 Indirect management with an international organisation - Packages of TA to MOALI

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- (i) area of specialisation includes: Agriculture, Nutrition and Nutrition Sensitive Agriculture, Capacity building, Policy Assistance, and technical areas such as Livestock/Veterinary Science;
- (ii) track record of implementation of similar contracts in Myanmar and the Region;
- (iii) operational capacity (including projects in Myanmar and field level activities);
- (iv) added value due to past and current involvement in connected operations in Myanmar and preferably in providing specialised technical assistance to MOALI;
- (v) demonstrated technical backstopping capacity from respective head-quarters.

The implementation by this entity entails the management of a part of the complementary support described in Direct Output 2 and achievement of the results related to the delivery packages of Technical Assistance at Union and State/Region level, with the objective to strengthen MOALI's capacity as well as to promote intra and inter-sectoral coordination (ADSISU, Technical assistance to the Agriculture and the Nutrition Sector Coordination Groups).

5.4.4 Indirect management with an international organisation through a pool fund (UNOPS/LIFT)

A part of this action may be implemented in indirect management with the United Nations Office for Project Services (UNOPS).

This implementation entails the management of the complementary support described in Direct Output 4 and achievement of the results related to additional measures aimed at

enhancing impact - in particular through convergence and in geographic areas where public service delivery is constrained by conflicts. The Proposed Action will make a direct contribution to the agriculture/rural market pillar of LIFT's strategy. Contributions will also be made to the nutrition/ health pillar of LIFT strategy in a view to potentially enhance impacts through convergence of interventions. The implementation will be carried out by UNOPS, which is the organisation officially mandated to perform the role of Fund Manager of LIFT as entrusted by the Fund Board members.

The envisaged entity has been selected using the following criteria:

- (i) area of specialisation includes: food and nutrition security support;
- (ii) track record of implementation of similar contracts in Myanmar and the region;
- (iii) operational capacity (including projects in Myanmar and field level activities);
- (iv) added value due to past and current involvement in connected operations in Myanmar;
- (v) demonstrated technical backstopping capacity from respective head-quarters.

5.4.5 Indirect management with a Member State Organisation

A part of this action may be implemented in indirect management with an entity that will be selected by the Commission's services using the following criteria:

- (i) experience in implementing private sector based agriculture value chain development support, preferably in Myanmar;
- (ii) ability to mobilise private sector organisation;
- (iii) availability of co-funding;
- (iv) technical backstopping capacity from respective head-quarters.

The implementation by this entity entails the management of the complementary support described in Direct Output 5 and achievement of the results related to the development of Pro-poor Agriculture Value Chains for Nutrition.

5.4.6 Changes from indirect to direct management mode due to exceptional circumstances

In case it should not prove possible to work in indirect management with the entrusted entities specified in 5.4.3, 5.4.4 and/or 5.4.5, due to circumstances outside of the Commission's control, those parts of this action may be implemented in direct management in accordance with implementation modalities using procurement or grants.

The alternative implementation modality to 5.4.3 - Indirect management with an international organisation - Packages of TA to MOALI will be Procurement (direct management) through services providing TA to MOALI for the implementation of the ADS, improved service delivery (seeds, livestock, land, water) and its contribution to the MS-NPAN, as well as PFM, Budgeting, planning, M&E and research capacities.

The alternative implementation modality to 5.4.4 - Indirect management with an international organisation through a pool fund (UNOPS/LIFT) will be Grants (direct management):

- (a) Purpose of the grant(s): implementation of nutrition-sensitive agriculture interventions in conflict areas including through safety nets, nutrition social behaviour change communication, and WASH promotion.
- (b) Type of applicants targeted: non-profit making legal entities established in a Member State of the European Union or in Myanmar.

The alternative implementation modality to 5.4.5 - Indirect management with a Member State Organisation will be Grants (direct management):

(a) Purpose of the grant(s): implementation of Pro-poor value chains for nutrition in rural areas including seed systems, post-harvest technologies, and good practices of processing and food safety.

(b) Type of applicants targeted: profit and non-profit making legal entities established in a Member State of the European Union or in Myanmar.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Budget support – cf. section 5.3	70 000 000	N.A.
Direct Output 2 composed of		
Procurement (direct management) –Strengthening of PFM at MOALI – cf. section 5.4.2	3 000 000	N.A.
Indirect management with an international organisation – Packages of TA to MOALI – cf. section 5.4.3	10 000 000	N.A.
Direct Output 3 composed of		N.A.
Procurement (direct management) – Research and capacity support to MOALI on nutrition-sensitive agriculture – cf. section 5.4.1	3 000 000	N.A.
Direct Output 4 composed of		
Indirect management with an international organisation through a pool fund (UNOPS/LIFT) – cf. section 5.4.4	18 000 000	N.A.
Direct Output 5 composed of		
Indirect management with a Member State Organisation (Pro-Poor Value Chains) – cf. section 5.4.5	7 000 000	N.A.
Evaluation (cf. section 5.9) /Audit (cf. section 5.10)	500 000	N.A.
Communication and Visibility (cf. section 5.11)	500 000	N.A.
Total	112 000 000	N.A.

5.7 Organisational set-up and responsibilities

Implementation of the sector budget support will require regular, inclusive policy dialogue at different levels. A multi-sectoral Steering Committee (MS-SC) will be set up to provide oversight and strategic direction to the various components of the SRC including all the Complementary Activities and to facilitate multi-sectoral working, programme linkages, cross learning and joint planning. The MS-SC will be co-chaired by the Ministry of Planning and Finance (MoPF) and the EU Delegation and meet twice a year and on an ad hoc basis as required. It would be made up of core representatives of the institutions/entities concerned (MOALI, LIFT, MoH, NNC). Other government stakeholders (notably State/Region level government entities) relevant development partners, implementing partners and consultants will be also included according to specific issues to be dealt with by the Steering Committee.

In addition, a ‘Joint Monitoring and Evaluation Mechanism’ (built around the budget cycle and country systems) composed by representatives of the EU Delegation and government ministries directly concerned with the fulfilment of the conditionality of budget support will feed the above MS-SC on compliance progress.

A Programme Management Team (PMT) – tentatively hosted by the future ADSISU - will allow technical and managerial policy dialogue focusing on management and implementation of foreseen actions. It will be co-chaired by MOALI and EU and will meet every two months.

5.8 Performance and Results monitoring and reporting

The Government of Myanmar (MOALI), jointly with the EU Delegation, will carry out the performance monitoring of the sector budget support eligibility criteria. It will be done on a yearly basis through MOALI progress reports. Annual independent assessments of the targets, financed by the EUD, will be conducted through external review missions in order to assess the level of achievement of the targets and the possible amount of the annual budget support variable tranche. To this end, the government will provide all the sources of verification related to each general and specific condition for the fixed and variable tranches in order to measure all results achieved in the agreed timeframe.

A significant proportion of the performance indicators of the Action focuses on actual service delivery for the final beneficiaries. This will (i) promote domestic accountability and (ii) stimulate demand for high quality monitoring data and information including with regard to who are the end beneficiaries (target groups in particular).

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the partner's strategy, policy or reform action plan list (for budget support). SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the importance and the nature of the action, a mid-term as well as a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to providing recommendations for necessary adjustments to the action, and to informing preparation of a potential second phase of the action.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this is the first time that this type of action in support to the rural sector is implemented in Myanmar/Burma, and to help finalise the design of a potential second phase of the action.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, based on a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

It is foreseen that audit services may be contracted under a framework contract.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

It is foreseen that a contract for communication and visibility may be contracted.

List of Acronyms of the Action Document for Enhancing Rural Nutrition in Myanmar
(ACA/2019/039-998)

ACIAR	Australian Centre for International Agricultural Research
AD	Action Document
ADS	Agricultural Development Strategy
ADSISU	Agricultural Development Strategy Implementing Support Unit
AGPER	Agriculture Sector Public Expenditure Review
ARDSCG	Agriculture & Rural Development Sector Coordination Group
ARSA	Arakan Rohingya Salvation Army
ASF	Animal Sourced Foods
ASSK	Aung San Suu Kyi
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CP	Cooperation Partner
CSO	Civil Society Organisation
DACU	Development Assistance Coordination Unit
DALMS	Department of Agriculture Land Management and Statistics
DHS	Demographic and Health Survey
DOA	Department of Agriculture
DOP	Department of Planning
DP	Development Partner
DRD	Department of Rural Development
EUD	EU Delegation
EURF	European Union Results Framework
FAO	Food and Agriculture Organisation
FHH	Female-headed Household
FIES	Food Insecurity Experience Scale
FIRST	Food and Nutrition Security Impact, Resilience, Sustainability and Transformation
GAP	Good Agricultural Practice
GOM, GOUM	Government of the Republic of the Union of Myanmar
GRET	Groupe de Recherche et d'Echanges Technologiques
HH	Household
IDP	Internally Displaced Person
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
LBVD, LVSD	Livestock Breeding and Veterinary Department
LEARN	Leveraging Essential Nutrition Actions to Reduce Malnutrition
LIFT	Livelihoods and Food Security Trust Fund
M&E	Monitoring and Evaluation
MAD	Minimum Acceptable Diet
MDD-W	Minimum Dietary Diversity for Women

MHH	Male-headed Household
MIID	Myanmar Institute for Integrated Development
MOALI	Ministry of Agriculture, Livestock and Irrigation
MOE	Ministry of Education
MOHS	Ministry of Health and Sports
MOPF	Ministry of Planning and Finance
MoU	Memorandum of Understanding
MSDP	Myanmar Sustainable Development Plan
MS-NPAN	Multi-Sectoral National Action Plan for Nutrition
MS-SC	Multi Sectoral Steering Committee
NGO	Non-Governmental Organisation
NLUP	National Land Use Policy
NNC	National Nutrition Centre
NSCG	Nutrition Sector Coordination Group
NSCG	Nutrition Sector Coordination Group
OAGM	Office of Acquisition and Grants Management
ODA	Official Development Assistance
OO	Overall Objective
PFM	Public Finance Management
PMT	Programme Management Team
SCG	Sector Coordination Group
SDG	Sustainable Development Goal
SO	Specific Objective
SPRING	Strengthening Partnerships, Results, and Innovations in Nutrition Globally
SUN	Scaling Up Nutrition
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure
WASH	Water and Sanitation for Health
WEAI	Women's Empowerment in Agriculture Index
WFP	World Food Programme

Appendix – Intervention Logic Table of Action Document for Budget Support + Complementary Measures for Nutrition-sensitive Agriculture in MYANMAR – ACA/2019/39-998

This table depicts the intervention logic of the budget support contract as described in the Action Document or in the Financing Agreement, including its complementary support component if applicable. ~~In order to fill in the table, further guidance on the intervention logic of budget support can be found in section 2.6 and annex 2 of the 2017 EU Budget Support Guidelines.~~ Based on the draft submitted with the Action Document, the table is to be finalised and become an annex to the Financing Agreement.

The table will support the monitoring and evaluation of the action. It is not meant to inform the assessment of eligibility criteria or of disbursement conditions.

The table lists expected results and corresponding indicators (max. 15). Performance indicators used within variable tranches must be included and flagged **in bold**. At formulation stage, the indicators may not yet be fully defined. In such a case, only an outline will be provided, as per the Action Document.

	Results chain	Indicators	Baselines	Targets	Sources of data
	Reduction of malnutrition in women of reproductive age, infant and under-five children through secured regular access and consumption of safe and diverse food and access to potable water in Myanmar. <i>(MS-NPAN, World Health Assembly Targets, SDG, EU RF)</i>	1.- Prevalence of stunting among children 0-59 months of age (disaggregated by sex) <i>ADS-MS-NPAN (EU-RF 1.9)</i>	1.Baseline 29.2% (DHS 2017)	1.Target for 2023: 24% (ADS) 21% (MS-NPAN)	1.Next DHS or IHLCS
		2.- Proportion of women of reproductive age with anemia (15-49 years) <i>MS-NPAN (GAP 12.3 / SDG 2.8)</i>	2.DHS (2017) 47%	2.Target 2025: 25% (MS-NPAN)	2.Next DHS & Micro-Nutrient National Survey
		3. Percentage of children with Minimum Acceptable Diet (MAD) <i>MS-NPAN</i>	2.DHS 2017: 16%	2.To be determined	2.Next DHS
IMPACT	Main expected contribution of EU support is to improve Dietary Diversity in target households and access to potable water	1.- Minimum Dietary Diversity of Women and adolescent girls (15 to 49 years). <i>Proposed as overall indicator for outcome areas 1-2 in MS-NPAN²². Indicator prioritised by EUD and DEVCO C1.</i>	1.To be determined by National Survey	1.To be determined	1.SDG Baseline report

²² This indicator will also be contributed to by interventions carried out by the Ministry of Health and Sports and Ministry of Education. In that sense, it may also be suggested to include it in the logical framework of the ADS at a later stage.

		2. Change Percentage of households consuming potable water <i>MS-NPAN indicator</i>	2.DHS	2. To be determined	2.1. DRD surveys 2.2. DHS
		3.- Prevalence of moderate FIES (Food Insecurity Experience Scale) at household level (moderate and severe). Disaggregated by sex of household head (FHH/MHH) <i>ADS / SDG 2.1.2</i>	3.SDG report 2017 : 11,31%	3.TBD	3.National Survey at end of BS intervention
OUTCOMES (specific objectives)	Outcome 1.- Improved food diversity in households and local markets (availability)	1.1- Number of selected food items (representative of the seven food-groups used in DHS) that are regularly found in selected local markets (representative of agro-ecological zones) <i>MS-NPAN</i>	1.1.TBD (before the BS starts)	1.1.TBD	1.1.1M&E system of BS programme 1.1.2DOP/ Market Information System
	Outcome 2.- Increased access to diversified diets through improved incomes (access)	2.1.- Share of HH income spent on food (Male/Female HH and rural /urban) for bottom 80% of households <i>MS-NPAN</i>	2.1.62% World Bank Poverty Report (2017) for 80% bottom; 64% for all Rural and 64% for Poor HHs	2.1.55% for the target HH (covered by BS) by 2023	2.1.WB Poverty Report
		2.2. Price trends evolution of selected food items (representative of the seven food-groups used in DHS) in selected local markets (representative of agro-ecological zones) and per month.	2.2.TBD (accessible price ranges for selected food items TBD)	2.2. TBD	2.2. TBD
	Outcome 3.- Improved safety along food supply and value chains to enhance access to safe and nutritious food	3.1.- Compliance with GAP Guidelines within selected value chains in selected geographical areas where target groups have a competitive advantage <i>MS-NPAN</i>	3.1.TBD	3.1.TBD	3.1.M&E system of BS programme Ad hoc assessment
	Outcome 4.-Improved access to potable water in rural areas and of vulnerable groups	4.1.. proportion of rural population using safely managed drinking water services	4.1.TBD (average 77% DHS?)	4.1.TBD	4.1..Annual DRD report
	Outcome 5.- Women empowered to actively participate and/or take informed decisions in agricultural/livestock production, value chain and household dietary intake	5.1- Percentage of people with ownership or secure rights over agricultural land (out of total agricultural population), by sex; and (b) share of women among owners or rights-bearers of agricultural land, by type of tenure <i>(SDG indicator 5.a.1 a)</i>	5.1.Women land owners: 16% (2016; DALMS)	5.1.TBD	5.1. TBD

		5.4.- Women participation in HH and community decision making, measured through the Women's Empowerment in Agriculture Index ²³ (MS-NPAN)	5.4.TBD (before the BS starts) TA with IFPRI	5.4.TBD	5.4.Ad hoc assessment
	Outcome 6.- MOALI Institutional capacity strengthened for improved quality, transparency and accountability in the PFM and budget oversight systems	6.1. Number of Nutrition related indicators (disaggregated) are effectively included in MOALI's performance framework (e.g. MDD-W).	6.1.Productivity related indicators only	6.1.TBD	6.1. MOALI M&E system
6.2.- Number of MoALI staff trained in FSN technical issues & PFM modules (disaggregated by gender)		6.2. TBD	6.2. TBD	6.2. MoALI's reports	
6.3. Availability of annual budget execution reports consolidated at MoALI level and disaggregated by subsectors, regions and states and publication of audited reports.		6.3. TBD	6.3. TBD	6.3. MoAli'sDoP reports	
6.4. Nutrition and gender budgeting reflected in reports.		6.4. no nutrition or gender budgeting	6.4. TBD	6.4. Annual budget	
INDUCED OUTPUTS (Budget support)	IO 1.- Scaled-up and increasingly inclusive delivery of horticulture/fruit seeds (Department of Agriculture, Horticulture section)	MoALI's seed/seedling production and distribution programmes are strengthened to enhance agriculture diversification (seeds for vegetable gardens, fruit orchards or high-value crops for sale) specifically targeting vulnerable farmers with high prevalence of undernutrition (including small-scale farmers, upland farmers, MHH, women in MHH, FHH and HH with malnourished children) .	TBD	TBD	DoA/MoALI reports
	IO 2.- Scaled up and increasingly inclusive delivery of veterinary /livestock services for small livestock (Livestock, breeding and Veterinary Department) - Community animal health services provided by paravets for small livestock (including poultry pig...) - Vulnerable HH reached out by the LBVD green emerald fund (revolving fund for small livestock)	- Animal health services are strengthened to improve their coverage of small livestock belonging to vulnerable farmers in communities with high prevalence of malnutrition (including small-scale farmers, upland farmers, MHH, women in MHH, FHH and HH).	TBD	TBD	LBDV/MoALI reports

1.1 ²³ Preliminary data for Myanmar in a recent IFPRI peer-reviewed article. Food Policy (2017) vol. 69: 270-279

	<p>IO 3.- Rural development services through access to potable water, sub-national food & nutrition planning, vocational training and agriculture-based income generating interventions (DRD). (Evergreen Programme - Department of Rural Development)</p> <ul style="list-style-type: none"> - Rural water supply - Vocational training for food processing - Household income enhanced through DRD-managed livelihood funds 	<p>The Rural Development Department develops and implements sub-regional plans to increase the number of households who have access to potable water coupled with WASH education.</p> <ul style="list-style-type: none"> - Increased coverage of Vocational Education and Training / Skill, coupled with nutrition education, and targeting of vulnerable females (GAP 13.10 / EURF 2.28) . -Women’s engagement in WASH committees (members, managers) 	<p>-TBD</p> <p>-TBD</p>	<p>DHS (TBD)</p> <p>-TBD</p>	<p>DRD/MoALI /MoH reports</p> <p>DRD/MoALI /MoH reports</p>
	<p>IO 4.- Scaled up delivery of land titles to vulnerable populations (poorest, women, groups without access to resources)(Department of Agricultural Land Management and Statistics)</p> <ul style="list-style-type: none"> - Land Tenure Regularization for nutrition-sensitive production systems (small livestock, nutrient-rich vegetables) - Land use certificate conversion for nutrition sensitive uses (small livestock, nutrient-rich vegetables, non-staple production) - Unused VFV land re-allocation to landless in order to reduce food poverty -- Land tenure literacy training for women and men 	<p>Land policy implementation and new land use regulations contribute to increased access to land titles (in ha.) by farmers in communities with high vulnerability and where land was held under informal arrangements (gender disaggregated, including husband-wife co-titling).</p> <ul style="list-style-type: none"> -Total number of hectares re-allocated to target groups (small-scale farmers, upland farmers, MHH, FHH and HH with malnourished children) 	<p>TBD</p>	<p>TBD</p>	<p>DALMS/MoALI reports</p>

	<p>IO 5. Improved MOALI Capacity for planning, M&E , coordination of nutrition-sensitive actions and Budget scrutiny on Agriculture spending heightened with strengthened capacities of all stakeholders (DoP, MOALI depts, subnational governments, Hluttaw at Union and provincial)</p> <ul style="list-style-type: none"> - Agriculture contribution to nutrition articulated in sub-national programmes of MS-NPAN/ADS - Increased alignment of MoALI's budget with ADS - Nutrition-sensitive gender responsive M&E coordination and targeting - ADS-MS-NPAN based plans and budgets presented by MoALI and S/Rs and debated at Union and S/R level with Hluttaw, Parliamentary committees - Annual budget presentation includes expenditure analysis and performance-informed targets - External financing is consolidated with Capital and recurrent budgets and presented, discussed jointly (One Plan, one Budget) - MoALI and S/Rs financial reports are audited and OAGM reports are available to the public 	<p>- Number of sub-national Agriculture Development Strategies/Plans that include nutrition indicators and monitoring plans.</p> <ul style="list-style-type: none"> - Number of Nutrition related indicators (disaggregated) are effectively included in MOALI's performance framework. . <p><i>Possible additional indicators:</i></p> <ul style="list-style-type: none"> - Number of Audited financial reports by OAGM are published (and include ADS/MS-NPAN-based performance information) - Evidence of performance information included in the budget proposal submitted to parliamentary scrutiny on execution (previous fiscal year) and plans. - External financing (loans and grants) and capital investment plans are integrated into One Plan and One Budget for Agriculture consolidating Union and subnational level and discussed jointly in Hluttaw 	TBD	TBD	<p>DoP/ADSISU/MoALI reports</p> <p>AOG/WB/FMI/JPA C reports</p>
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DIRECT OUTPUTS	<p>DO1: Supporting policy development and institutional capacities through improved service delivery, additional fiscal space created by the transfer of funds and increased predictability of funds; reduced transaction cost, strengthened capacities conducive to reforms, improved monitoring and reporting of reforms, a more aligned and coordinated policy dialogue, PFM and strengthening of intra-sectoral linkages as well as Multi-sectoral linkages</p> <p>DO 2: . Building critical capacities in MOALI with a focus on the implementation of the Agriculture Development Strategy and its contribution to the MS-NPAN, PFM, Budgeting, planning, M&E and research. Contributes notably to all outcomes.</p> <ul style="list-style-type: none"> - Technical Assistance (DOP, ADSISU, SCGs) to carry out baseline studies, capacity building on FSN and NSA, exposure (Union and S/R levels) - Specialized TA for targeted sub sectors : Land/DALMS, seeds, Livestock, livelihoods (DRD), gender - Evidence based policy making (linking research to development) - ADSISU (ADS Implementation Support Unit) strengthened (TA, secondments, - Nutrition-sensitive M&E and targeting - Sub-national MS-NPANs formulation process supported - Strengthened PFM practices at MoALI - SCGs and national nutritional 	<p><i>Amount of BS funding made available (in EUR)</i></p> <p><i>ADS and MS-NPAN implementation reports against outcomes produced regularly and publicly</i> <i>Ministries report regularly on their contribution to the MS-NPAN outcomes.</i></p> <ul style="list-style-type: none"> - Number of food and nutrition plans contributed to at S/R level - Number of baseline studies (national assessments, area studies, target groups) to support the Action Document (e.g. MDD-W baseline) <p><i>Possible additional indicators:</i></p> <ul style="list-style-type: none"> - Status of in social inclusion, gender equality, nutrition and targeting - <i>Status of dissemination of MoALI PFM SoPS</i> - Level of detail of MoALI annual capital budget and investment - Status of production of agriculture for nutrition curriculum - Number of by-laws, notifications, orders, directives and procedures for supporting nutrition sensitive land tenure adopted by MoALI <p>[36]</p>	<p>None</p> <p>No reports being produced</p> <p>No reports being produced</p>	<p>EUR 70 000</p> <p>Annual quality reports produced annually on outcome implementation of ADS</p> <p>Annual quality reports produced annually on outcome implementation of MS-NPAN</p> <p>Guidelines drafted and discussed with ADSISU</p> <p>MoALI PFM SoPS produced and disseminated through trainings to budget officers from townships to Union level (including Planning, Procurement, Public Investment functions)</p> <p>MOALI annual capital budget and investment plan includes externally-funded projects and State budget operational costs and provides disaggregation at S/R level.</p> <p>Agriculture for nutrition curriculum at Yezin, SAI, Vet University drafted</p>	<p>MoPF reports</p> <p>Reports rproduced by MoALI on ADS</p> <p>Reports produced by MoALI, MoRSW, MoH, MoE, MPF.ADS and MS-NPAN reports</p> <p>MoPF reports</p> <p>DoP/MoALI reports</p> <p>External audits</p>
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	<p>DO3 .- Knowledge-related solutions. Scientific knowledge on nutrition-sensitive agriculture and statistically-relevant data are produced and shared with decision makers to inform evidence-based policies through technical assistance services provided by European research institutions</p> <ul style="list-style-type: none"> - Efficient approaches tested for the delivery of nutrition-sensitive agriculture and land services - Increased capacities for applied research on nutrition-sensitive agriculture (Department of Agricultural Research) - National baselines for MDD-W, FIES and WEAI (Department of Planning and ADSISU) - MoALI planners and front-line service delivery unit staff (DoA, universities/agriculture training institutes) trained 	<ul style="list-style-type: none"> - Number of nutrition-sensitive gender-responsive service delivery methods tested (agriculture, livestock, land) such as Farmer field schools, household methodologies, farmer-to-farmer, mobile phone extension, micro-credits, or appropriate technologies (including labour saving technologies to reduce women's workload). - Number of enumerators trained on MDD-W, FIES and WEAI time-use studies, and number of reports produced incorporating these indicators. 	TBD	TBD	<p>Yezin University reports External evaluations</p>
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	<p>DO4 - Nutrition-sensitive agriculture interventions are piloted, scaled up and complemented with safety nets, nutrition social behaviour change communication, and WASH promotion through a LIFT complementary measure support package in conflict areas.-Direct LIFT contribution to EU operation including (a) support to ADS and MS-NPAN agricultural component implementation, (b) efficient approaches tested for the delivery of nutrition sensitive agricultural services, (c) assess contribution of agriculture for nutrition in all agriculture projects implemented, (d) complementary services such as access to Maternal Child Cash Transfers and nutrition Social Behavior Change Communication</p>	<ul style="list-style-type: none"> - Number of nutrition-sensitive service delivery methods tested (agriculture, livestock, land) such as Farmer field schools, farmer-to-farmer, mobile phone extension, micro-credits, or appropriate technologies. - Number of HH receiving dietary diversity promotion messages as part of agriculture, livestock, land services - Number of projects that have included nutrition indicators in baseline/end line (MDD-W, HDDS, FIES, WEIA) - Number of women receiving both MCC-T cash + SBCC and nutrition-sensitive agriculture interventions 	TBD	TBD	LIFT reports External evaluations
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	<p>DO5.- Pro-poor value chains for nutrition are promoted through a Delegation Agreement complementary measure</p> <ul style="list-style-type: none"> - Developments of specific nutrient-rich or pro-poor value chains where target groups (small-scale farmers, FHH) have a competitive advantage to reach local and regional markets. - Expansion of Processing and food safety standards - Facilitating access to local, regional and national markets with special attention to small and medium women entrepreneurs <ul style="list-style-type: none"> - Number of vulnerable HH (male/female headed) incorporated in value chains with nutrient-rich foods or cash crops where target groups have a competitive advantage - Increased income at household level for those HH participating in value chains - Increased dietary diversity for those HH participating in value chains - Number of micro, small and medium-scale (MSMEs) enterprises supported and funded for selected VCs (male/female MSMEs) 	<ul style="list-style-type: none"> - Number of vulnerable HH (male/female headed) incorporated in value chains with nutrient-rich foods or cash crops where target groups have a competitive advantage - Number of vulnerable HH (male/female headed) incorporated in value chains with nutrient-rich foods or cash crops where target groups have a competitive advantage.-women's participation in decision-making over the use of household income - 	TBD	TBD	External evaluations Value chain assessment tool DEVCO UNIT C1)
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The table may evolve over the implementation of the budget support contract. The indicators, baselines and targets are indicative and may be updated during the implementation of the action without an amendment to the financing decision. However, once the Financing Agreement is signed, any change applying specifically to the performance indicators and targets used for the disbursement of variable tranches must abide by the relevant provisions of the Financing Agreement.

Indicators to be presented, when possible, disaggregated by sex, age, urban/rural, disability, any disadvantaged group, income quintile etc.