

MAGWAY REGION, MYANMAR: SME Strategy

**AN ACTION PLAN FOR DEVELOPMENT OF THE SME SECTOR IN
MAGWAY STATE**

Table of Contents

PREFACE AND INTRODUCTION ONE	3
DEVELOPMENT CONTEXT TWO	4
STRATEGIC CONSIDERATIONS THREE	7
Demographic Profile 3.1	7
The trend of migration and non-farm diversification 3.2	10
Employment and Assets 3.3	10
Physical Infrastructure 3.4	12
SME STRATEGY FOUR	15
Action Area 1	16
Action Area 2	19
Action Area 3	20
Action Area 4	22
Action Area 5	24
Action Area 6	26
Action Area 7	28
Action Area 8	29
Action Area 9	33
Action Area 10	35
Action Area 11	37
Action Area 12	39
Action Area 13	41
Action Area 14	42
Action Area 15	43
Action Area 16	44
Action Area 17	45
Action Area 18	47
Action Area 19	50
Action Area 20	51
CONCLUDING COMMENTS SIX	52
Annex 1: Organisations Active in Magway Region (MIMU Database)	54
Annex 2: Magway SME Strategy Workshop Evaluation	55
Annex 3: References	56

Magway Region, Myanmar: SME Strategy

AN ACTION PLAN FOR DEVELOPMENT OF THE SME SECTOR IN MAGWAY REGION

PREFACE AND INTRODUCTION| ONE

This document outlines a strategy and implementation plan for developing small and medium enterprises (SMEs)¹ in Magway Region, Myanmar. This document is the result of a two-day workshop held in Town Hall, Magway City in November 2017. The Magway region government invited the Friedrich Naumann Foundation (FNF) to lead the workshop. A first draft containing 22 SME Roadmap Actions was reviewed by the Magway Region Government and members of civil society, and a final list of 20 priority Actions were selected. This draft details those 20 Action Areas (AAs).

The main data for this document comes from the two-day workshop held in Town Hall, Magway in November 2017. There were over 250 participants at that workshop, including representatives from government, parliament, the military, civil society and the private sector. Women were present, but underrepresented. The workshop Facilitator and author of this document, Dr Adam McCarty (with Siddhartha Basu), have further developed the 20 AAs under guidance from the Magway region government.

It is recommended that this document be distributed to various parties for further comments and feedback. Sharing the report with the Union Government (and the donor community) is also advisable, in order to receive feedback about both content as well as funding options. Using this document as a focal point for external support will ensure local ownership as well as effective and efficient coordination.

¹ Note that for the purposes of this document, the term “SME” will be taken to refer also to micro-sized firms, as this better reflects the fact that the economy of Magway Region is still underdeveloped and small in size.

DEVELOPMENT CONTEXT| TWO

Magway region is usually referred to as the “oil pot of Myanmar” thanks to its position as the primary producer of oil and natural gas in Burma. Its economy is dominated by agriculture and petroleum production. According to the Integrated Household Living Conditions Assessment (IHLCA), 27% of the Magway’s population is living below the poverty line, which is comparable with the rate of 26% nationwide. Since the start of Myanmar’s structural transformation in 2011, there has been a high level of migration in Magway region. Every one in five households has a family member who migrates away from home to work, the 2015 World Bank Study found. Most of these migrants are young men who seek stable income and better opportunities for self-development.

Table 1: SWOT analysis

Strengths (to build on)	Weaknesses (to be addressed)
• The main production region of cooking oil for Myanmar • Plenty of petroleum and natural gas, charcol • Plenty of vacant land • Stable and no conflict • Many forest in the region • Have world heritage and many potential areas for tourism • Can cultivate various kind of plant and crops • Have many universities, colleges, training schools in the region to produce human resources • Plenty of natural resources • Have an airport	• Shortage of electricity • Poor road infrastructure and connection • No market for vegetable and fruits • Low job creation in the region • Less human resources • Weak stability of market, technology, cost for agriculture • Far with sea/port • Weak conservation and management on environmental, forest etc • Weak development of industrial zone development • Weak attraction to tourist on heritage places in the region • Less water resources • Less support from Union government and international organizations • No flights to Magway • No business development services • No technology to produce quality goods to reach international market • Cannot produce raw material to finished products • Weak research and development in the region • Weak on partnership between businesses, CSOs, government • No Economic University and vocational training school
Opportunities (to seize)	Threats (to manage and mitigate)
• Situated on India-Thailand- ASEAN trade corridor • Good regional government and administration • Can get foreign currency from Eco Tourism • Can build factories on vacant land • Can produce solar power energy upon tropical zone	• Disasters like earthquake, flood, wild fire • Shortage of water such as drinking, planting etc. • Many migrant workers to other region/overseas • High rate of death under five years • Weak rules of law • Import products from oversea

The economy of Magway relies on agriculture and petroleum production. Even though it is located near Ayeyarwady River, the scarcity of rain along with the unpredictability of the weather and climate change lead Magway's farmers to depend on sesame, ground nuts, green gam, black gam, sunflowers, pulses and cotton rather than paddy production. Because sesame and groundnut crops thrive in this region, Magway is also a major supplier of cooking oil. Other products include maize, cotton, pulses, paddy, Myanmar tobacco, Virginia tobacco and

potatoes. The government, surprisingly, provides five times more finance to paddy than to the popular crops in Magway. Hence, in promoting SME(s) in the region, communication between the government and the private sector is the key to understand and promote the region's potentials. Lack of funding also deters farmers from investing more in their land.

The known mineral resource of the Region is oil. Magway is where oil was first discovered and it is now being extracted in large quantities. Yenangyaung Oil Field, Chauk Oil Field and Mann Oil Field in Minbu (Saku) are major oil producing areas in the country. Other industrial products are cane, bamboo, charcoal, cutch, teak and hardwoods. Industrial plants working according to the national plan are Thayet Cement Factory, Pakokku Cigarette Factory, Wazi Plant, Sale Fertilizer Plant, and Kyaunchaung Fertilizer Plant. Pakokku, Gangaw and Swa are well known in handicrafts industry for their hand-woven cotton fabrics. Other products are cane, bamboo, charcoal, cutch, teak and hardwoods.

Another advantage of Magway is the large number of women who are equipped with skills in some service sectors such as making handicrafts. The sex ratio of 86.3 in Magway indicates that female workers and women entrepreneurs can enhance the development of the region substantially. Given the trend of outward migration in Magway, women-led SME(s) should play a key role in boosting the regional economy.

The focus of this SME Strategy is therefore to strengthen that SME aspect of the overall development strategy. At the workshop it was agreed that the definition of "small" enterprise in Magway region is best understood to include small and simple enterprises whose number of employees range from 10 to 200. For want of a better definition, that would include any farmer household that derives most of its income through the specialised production of crops or animals for cash sale. These households are an integral part of a particular value chain, and so are connected to more formal SMEs.

STRATEGIC CONSIDERATIONS| THREE

Demographic Profile|3.1

The 2014 Census returned a total population for Magway region of 3,917,055 persons. The table below shows the breakdown of that population by gender across the five districts, 25 Townships and 1696 ward village tracts. Only 15% of people live in urban areas.

Table 2: Demographic data

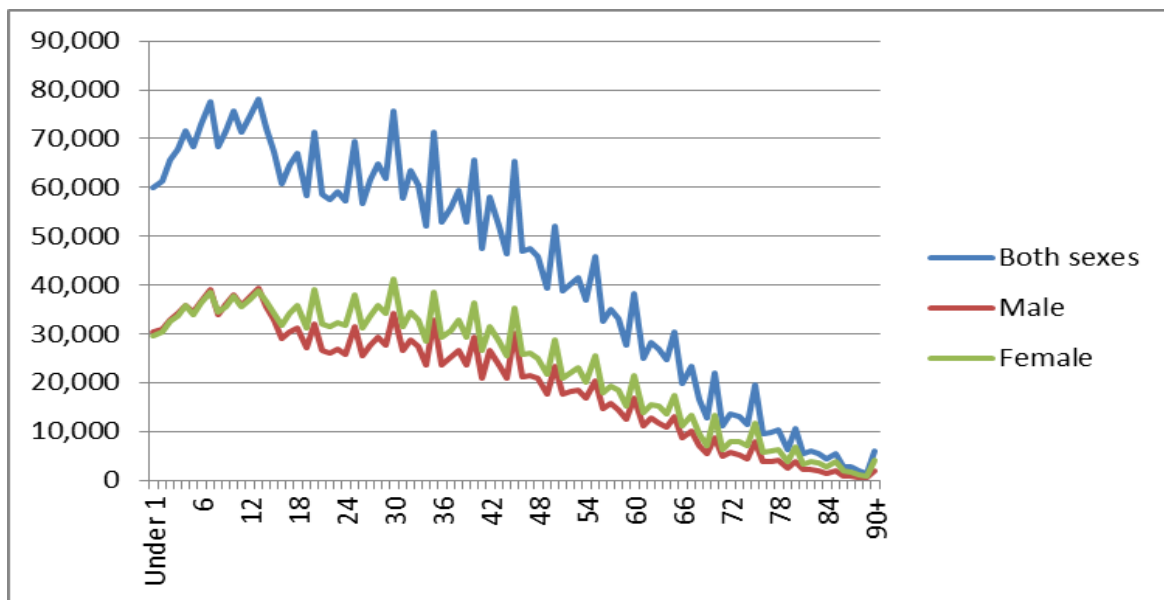
	Total Population			
	Both sexes	Male	Female	Sex ratio
MAGWAY (REGION)	3,917,055	1,813,974	2,103,081	86
MAGWAY(DISTRICT)	1,235,030	567,235	667,795	85
Magway	289,247	135,103	154,144	88
Yenangyoung	134,227	60,228	73,999	81
Chauk	185,189	82,385	102,804	80
Taungdwingyi	259,860	122,706	137,154	90
Myothit	159,511	74,039	85,472	87
Natmauk	206,996	92,774	114,222	81
MINBU	687,575	322,140	365,435	88
Minbu	188,182	88,262	99,920	88
Pwint Phyu	163,692	76,740	86,952	88
Ngape	52,142	25,075	27,067	93
Salin	236,033	108,725	127,308	85
Saytottara	47,526	23,338	24,188	97

THAYET	738,047	353,887	384,160	92
Thayet	104,347	49,385	54,962	90
Minhla	146,082	73,133	72,949	100
Mindon	59,357	27,961	31,396	89
Kamma	75,195	35,854	39,341	91
Aunglan	235,222	111,765	123,457	91
Sinpaungwe'	117,844	55,789	62,055	90
PAKOKKU	1,005,545	451,887	553,658	82
Pakokku	290,139	130,741	159,398	82
Yesagyo	215,352	94,353	120,999	78
Myaing	225,771	100,854	124,917	81
Pauk	171,514	79,030	92,484	86
Seikphyu	102,769	46,909	55,860	84
GANGAW	250,858	118,825	132,033	90
Gangaw	133,295	63,420	69,875	91
Htilin	48,866	22,859	26,007	88
Saw	35,832	17,209	18,623	92
Kyaukhtu(Sub-Tsp)	32,865	15,337	17,528	88

□ Source: Department of Population, Ministry of Immigration and Population (May 2015), 2014 Myanmar Population and Housing Census: Magway Region Report.

In both rural and urban areas, the total number of women exceeds men notably. The sex ratio of 86.3 is probably not due to son-preference practices common in countries like India and China, but rather due to migration by males out of the region for employment, mostly in Yangon. This tendency was reported in the SME workshop, and the chart below seems to confirm it, as the numbers of males are consistently below numbers of females between 18 to 45 years of age. These “missing men” reflect the poor economic opportunities in Magway region, and only the development and the creation of jobs (and value-adding agricultural activities) will draw them back.

Figure 1: The Gender Gap



Source: Department of Population, Ministry of Immigration and Population (May 2015), 2014 Myanmar Population and Housing Census: Magway Region Report.

Figure 1 highlights the extraordinarily youthful population of Magway region, where 27% of persons are under 15 years of age. The chart also suggests poor knowledge about precise ages, as there are peaks of persons reporting to be 30, 40, 50 or 60 years of age. This is simply a reporting or recording error. The overall picture, however, is very clear: the youthful population of Magway Region will be surging into a working-age one, looking for jobs over the next two decades. If jobs cannot be created, on-farm or off-farm, then migration will increase and the number of “missing men” will increase.

The trend of migration and non-farm diversification|3.2

Ever since Myanmar's reform in 2012, Magway region has witnessed a soar in migration rate, standing at 11.3% - the second highest in the country, according to a report by the World Bank in 2014. Most of the migrants move to urbans like Yangon to find works in informal labour markets such as in a construction site or a restaurant. The economic impacts of this migration flow are insignificant given that most immigrants take up low-skilled employments in the cities. Their income can only smooth their consumption or reduce their debts.

The trend of outward migration puts tremendous pressure on the labour force of Magway as few are left behind to plant and pick the local crops. Local farmers are struggling to find workers as they need to pay more and this, in turn, raises output price.

Weather shocks, poor infrastructure and slack labour market drive migration as well as the trend of non-farm diversification. According to the World Bank in 2014, there had been a noticeable increase in small, non-farm business and reliance on non-farm income. In particular, the number of respondents who received income from small business increased by seven percentage points. The unpredictability of agriculture makes casual labour search for another source of income to support their livelihood throughout the year.

Employment and Assets|3.3

Of the 3,232,150 persons of working age in Magway region, very few are employed in the formal sectors. The government employs only 3.5% and 14.2% are working as an employee in the private sector. The majority of respondents report as an own account worker (23.7%) while household workers account for 16% of the labour force. However, these cannot be considered as an SME. The SME sector is therefore very small, although to these numbers we can add the farm households whose main incomes come from cash crops.

Table 3: Economic activity profile

	Total	Employee (government)	Employee (private)	Employer	Own account worker	Unpaid family worker
MAGWAY	3,232,150	113,027	460,921	96,894	765,563	448,089
Male	1,469,573	62,166	272,050	67,691	487,448	155,632
Female	1,762,577	50,861	188,871	29,203	278,115	292,457

Source: Department of Population, Ministry of Immigration and Population (May 2015), 2014 Myanmar Population and Housing Census: Magway Region Report.

According to recent census data (2014), about 17% of Magway region's 91,121 households own mobile phones, and one-third owns a motorbike. That percentage would be higher now and still increasing, although ownership is likely to remain concentrated in townships. It would be good to build up a database of all village leaders with mobile phones (making note of whether they are smartphones or not). To that database could be added the telephone numbers of other relevant persons (e.g. women's group representatives, SME managers, etc.). Such a database could then become a valuable tool for cost-effective communication between thousands of persons.

Table 4: Asset ownership across Magway households

Conventional households	Car/Truck/ Van	Motorcycle/ Moped	Bicycle	4-Wheel tractor	Canoe/Boat	Motorboat	Cart (bullock)
919,777	12,624	356,960	282,648	7,989	12,307	4,196	380,264
Conventional households	Radio	Television	Landline phone	Mobile phone	Computer	Internet at home	% with none of the items
919,777	440,704	348,256	32,145	219,450	11,341	31,072	30.3

Source: Department of Population, Ministry of Immigration and Population (May 2015), 2014 Myanmar Population and Housing Census: Magway Region Report.

Mobile phones are the most obvious means of communication and for receiving feedback from Magway region citizens who own them. Relevant applications, such as VOTO, Greenway and iWomen, should be explored and developed for practical use. A separate strategy is needed to reach out to off-grid households that do not own mobile phones. To the extent that there are whole villages like this, a typical approach would be to fund construction of a modest community centre (which is maybe also a primary school) that uses hydroelectric or solar power to run a television and support the use of mobile phones (it could recharge household batteries as a business). Specific persons can then be responsible for the shared use of community mobile phones.

Physical Infrastructure|3.4

Magway region must think strategically about infrastructure investments and options, given its position bordering five other regions of the countries and its potential in energy.

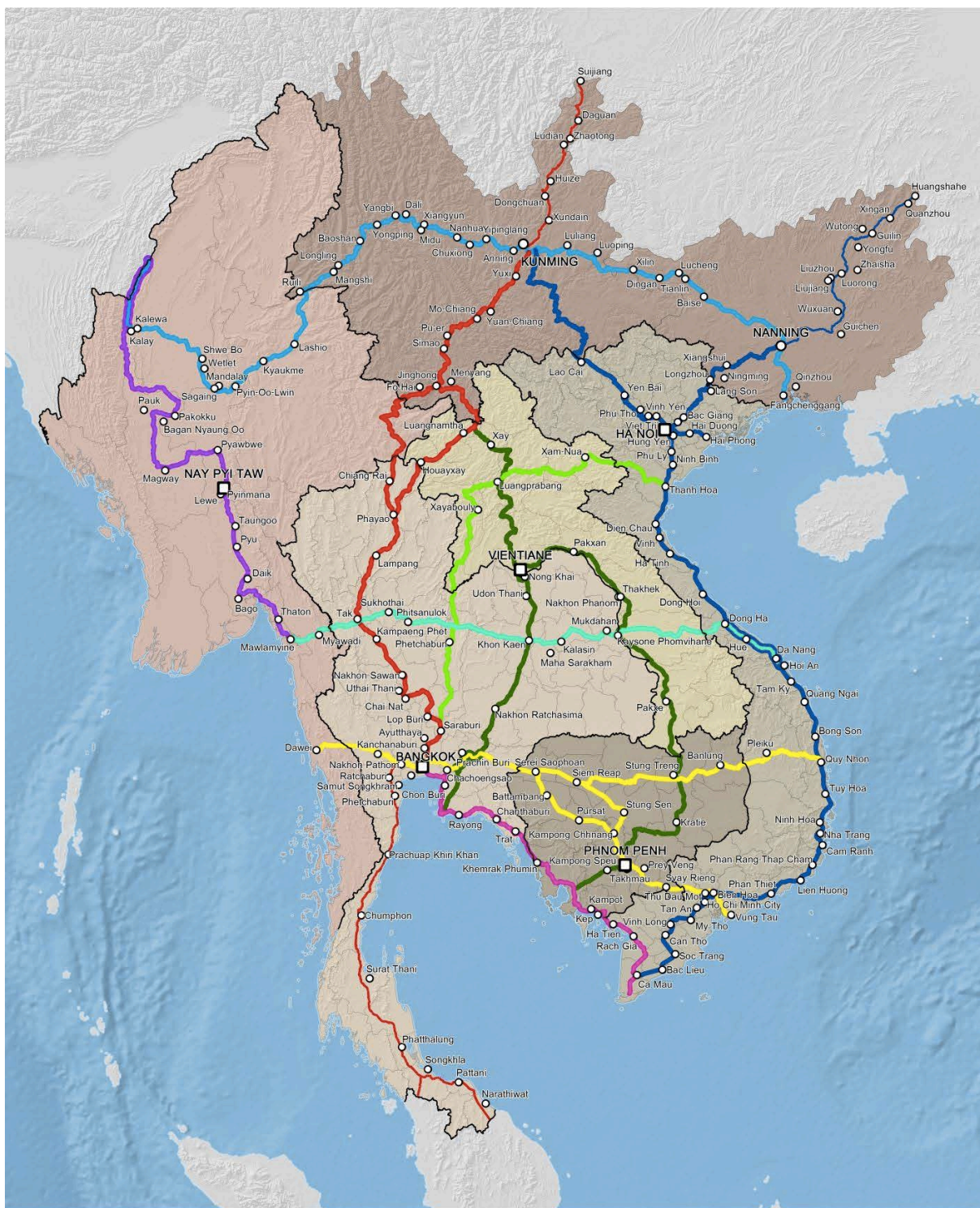
The Irrawaddy River is a major transportation route in Magway given the amount of goods and population it serves. Most major towns in Magway are close to the river and become commercial ports. However the quality of infrastructure (ports, warehouses, roads....) and vessels are poor and in need of funding, creating substantial difficulty in developing water-way goods transportation services. The railway Pyay to Nyaung-U and Myingyan connecting the region to the capital Naypyidaw, Rangoon and Mandalay brings many opportunities for trade and co-operation.

Low quality infrastructure also hampers the region's potential in tourism. The "Regional Level Multi-stakeholders consultation forum for the Magway Region Tourism Development" in September 2017 identified the key difficulty being the outdated and low quality infrastructure, which poses significant risks and low return to stakeholders. These infrastructures include personal hygienic facilities, roads, food/accommodation facilities. Unsafe road and transportation vehicles limit the possibility of opening a new sightseeing route which goes through Magway's popular heritages. Such a route will provide employment for the nearby residents in selling handicrafts or providing local tour guide.

On the manufacturing domain, the primary export product of Magway is petroleum, natural gas and oil. This sector in Myanmar in general can be described as an oligopoly with only a few key players. Besides this, Magway also has potential in sustainable energy such as solar power.

The technology for extraction and processing of the domestic firms is outdated. Many foreign firms in recent years have been attracted to this region and invested to improve its capacity.

The facilities for education and healthcare are still inadequate even though they have received some funding in recent years. A report of UNDP in 2015 found that in many hospitals, “the basic infrastructure of the facility is often not considered optimal, as there is often lack of electricity and water” along with the irregular supply of medicines and medical equipment.



Transport Corridors of the Greater Mekong Subregion

Economic Corridor Roads

- Central Corridor
- East-West Corridor
- Northern Corridor
- Eastern Corridor
- North-South Corridor
- Southern Coastal Corridor
- Southern Corridor
- Western Corridor
- North-South Corridor Extension
- Northeastern Corridor
- Northern Corridor Extension

- National capital
- Administrative center
- Corridor town

0 100 200 400 Kilometers

Boundaries are not necessarily authoritative
Data source: ADB, GMS EOC, UN FAO GAUL, NASA SRTM

SME STRATEGY| FOUR

The above strategic considerations have included infrastructure, demographics, employment and asset ownership in Magway Region. We have also brought attention to the trend of migration and non-farm diversification in the region.

SME sector in Magway region is small and has low value-added. Its opportunities lie in agriculture and tourism, the latter of which will take much time to develop. An initial focus on traditional handicrafts would be a good strategy. Despite the dry weather and lack of access to funding, its proximity to inputs and markets in the regional capital of Magway makes it beneficial to invest in agriculture.

We feel that an immediate 1-4 year focus on agriculture is justified. That and a general improvement in the business environment – regulations and other “soft infrastructure” as well as physical infrastructure – form the basis of the following Action Plan items.

There are 20 Action Areas. Under each Area, there are one or two “problem areas”, and for each problem area one or more specific actions are recommended.

Action Area 1

To reduce and simplify lengthy and complicated procedures in starting a business– including quick access to bank loans, simple and transparent procedures, online registration.

Business regulations and bank loans	This Action Area addresses three problems: (1) complex and lengthy processes to obtain bank loans; (2) the lack of information and communication between the entrepreneurs, the banks, and the authorities.	
Problem 1: The bank problem	Obtaining a bank loan in Magway region is a longwinded process that requires a multitude of checks and supporting documents. Furthermore, banks require the calculation of profits and losses, as well as detailed business plans, before approving loans, but there is no service to assist in doing these things. The loans offered are also often less than applied for, at high interest rates and for short terms.	
Solution(s)	· Banks should deal directly and only with enterprises. The SME department within the bank should manage the loaning process directly. Hopeful entrepreneurs should be required to work with one bank only rather than going through many intermediary organizations. · Government should simplify policy for loans and banking procedures. Ministry of Planning and Revenue should make it easy to get land registration. · Explore how services could be offered, on a cost-recovery basis, to assist SMEs in developing business plans to apply for loans.	
Action 1.1	Government should define specific loan amounts for different kinds of business. Models like micro-finance can be used to fund the initial investments	
Managed by	Implementer(s)	Time needed
Union Government	Central Bank and Government Departments	At least one year (workshop of initial findings in Magway region in month 5)
Action 1.2	The government should regulate loaning activities of banks and require banks to provide a mechanism to calculate different amounts of loans based on the SME's performance, size, and potential. Every regional government should ensure funding is available to their townships and allocate only one single	

	department to specialize in borrowing procedure and policies. Regional and District Economic Bank managers need to clarify and publicize SME loan policy and simplify the borrowing process. There must be anti-corruption policies to encourage people to borrow to invest and to ensure the proper function of the whole system.	
Managed by	Implementer(s)	Time needed
Regional and Union Government	SME department and banks	1 year
Problem 2: The problem of lacking information		
The Problem	Many SME(s) could not obtain a loan from a formal bank due to their small size and high risk. With incomplete land record and hence, no collateral, entrepreneurs cannot secure fund from a formal source and have to borrow from an informal one.	
Solution(s)	To promote information regarding starting a business This ease of access to information is vital given the incomplete transportation and information system in Magway.	
Action 1.3	. The government and banks should distribute pamphlets, posters and sharing information for the procedures and rules for SME loan to start-ups, business owners. These information need to be publicly available, up-to-date and easy to access so that SME who want a loan for their business can prepare all the necessary documents and link with the relevant banks for their needed amount.	
Managed by	Implementer(s)	Time needed
Government	Government	One year
Problem 3: The need for regular formal dialogue between the government and the private sector and international co-operation.		
The problem	Due to its poor transportation and communication infrastructure, it is hard to implement, manage, and evaluate fully and effectively government policies at regional level as well as to stay updated to the market demand and people's issues.	
Solution(s)	·Create information center and township office for loaning	
Action 1.4	There needs to be a township office for loaning so than funds are available at township level. Regional government should develop and submit their plans to do so as soon as possible.	
Managed by	Implementer(s)	Time needed
Regional Government	SME department	1 year
Action 1.5	Magway government should conduct an assessment on loan system and propose to Union government while one MP or MPs from the region should raise questions at Parliament for this.	

Managed by	Implementer(s)	Time needed
Magway regional Planning and Finance Ministry	Union Ministry of Planning and Revenue	6 months
Action 1.6	The government should encourage and work with international organizations to secure donation. Every successful market needs a complete and high quality system of infrastructure. Foreign direct investment (FDI) and other international supports (technology transfer ...) support domestic activities in general and SMEs in particular by improving transportation and communication system, boosting the labor market and service sector and facilitating innovations in many areas.	
Managed by	Implementer(s)	Time needed
Government and relevant department	Government, banks, SME department, business owners	One year

Action Area 2

To develop new cash crops and livestock varieties

The Problem	Agriculture plays an important role in Magway's economy. Despite its close proximity to the river, the dry climate and sandy soils along with the lack of infrastructure makes the famers vulnerable to any unexpected changes in the weather and crop prices. This raises the need to diversify their products. The organic and cash crops, new livestock cannot be the same with other region. There are demands for new method to harvest peanut, sesame, black sesame and develop zone to breed goat and CP hens.	
Solution(s)	- Government needs to provide seeds, fertilizer, technology, medicine for both new cash crop and livestock - Private sector also should cooperate	
Action 2.1	Union and regional Ministries should be responsible for providing technical specialist and other assistances such as providing training or information center, market to distribute and sell agricultural products.	
Managed by	Implementer(s)	Time needed
Ministry of Commerce	Department of trade promotion and commodity exchange centre	One year
Action 2.2	Develop cash crop farmers association and livestock business association to facilitate communication and co-operation between farmers, which is important i as experience and networks are invaluable in farming business.	
Managed by	Implementer(s)	Time needed
NGO, farmers and government	NGO, farmers and government	One year
Action 2.3	To build research centre to get standard seeds for all kind of beans, oil crops, and good species of goat, pig, chicken, and cow	
Managed by	Implementer(s)	Time needed
Department of agriculture and livestock	Department of agriculture and livestock, Farmer organizations, livestock	Three years

Action Area 3

To share information about agricultural and livestock techniques, seeds etc

Problem 1	With its inadequate infrastructure, funding, scientific capability and institutional capacity, it is difficult for Magway to develop new types of seeds, seeds banks and an information network, designate specific place for farming and livestock and provide health care to livestock.	
Solution(s)	Farmers must be able to raise the concerns and issues for the government to take action on.	
Action 3.1	Capacity building Agriculture and livestock department should go to the field and provide training on taking health care of livestock, seeds bank, creating new species of seeds, sharing information, opportunities to deliver to overseas market and stability, introduction of good species to deliver abroad.	
Managed by	Implementer(s)	Time needed
Government, internal/external expert, Agricultural department and farmers	Agricultural businessmen, government staff	3 years
Action 3.2	To promote co-operation between scientific experts and business owners. Entrepreneurs should consult agricultural experts before making a decision on planting and breeding. This will help them create better business plan as well as enhance the probability of success, their competitiveness and efficiency by lowering cost and increasing the product quality.	
Managed by	Implementer(s)	Time needed
Government, livestock expert, agriculture expert	Relevant departments, business owners, experts	3 years

Action 3.3	To encourage market sharing and information. Agriculture info, export products and prices, market information should be shared in internet pages, radio, TV channels	
Managed by	Implementer(s)	Time needed
Ministry of Commerce	Relevant departments, business owners, experts	3 years
Action 3.4	Design the Fund for Experiments in Rural Livelihoods: draft and finalise a fund concept note and the terms of reference (TOR) for a management organisation before conducting the tender process (3 months)	
Managed by	Implementer(s)	Time needed
Government	One or two consultants hired by the relevant ministry.	Six months

An effective information portal is the key to the success of any of these strategies. Keeping local people updated on government's policies and directions promotes the impacts of such strategy, helps evaluators update and monitor their implementation and make any necessary change as well as provides a communication channel between the private sector and the government.

Action 3.3 above reiterates the conclusion of the "Magway Region Tourism Development Forum" last September. The forum which comprises of government and private sector's representatives emphasizes the importance of setting up, maintaining and updating information sharing system about tourism in Magway Region. The same can be done in others sectors such as agriculture, energy, sustainability or entrepreneurship.

Action Area 4

To promote and facilitate organic farming

The problem	With its limited capital and technology, SME(s) in Magway cannot produce seeds on a large scale. Hence the ability to conduct organic farming - a profitable and largely unexploited area is limited.	
Solution(s)	Govt, Agricultural Dept, INGO, Public Health department should raise awareness of organic crops and show support for its positive impact on the environment, well-being and health	
Action 4.1	To provide training and develop a model for organic farming. To conduct marketing, match making and encourage free and fair competition of market	
Managed by	Implementer(s)	Time needed
Government	Government and farmers	2 years
Action 4.2	To raise awareness of agricultural knowledge and town level support, increase support for inputs of farming (pricing and taxation support for organic fertilisers, seeds, soils...); improve accessibility to land by making it easier to get loan and reducing legal procedure; provide seeds and technology on removing fertilizer on farmland and organic farming technology.	
Managed by	Implementer(s)	Time needed
Government	Business owner, land dept., GAD, Agriculture Dept., SME Dept.	Three years
Action 4.3	To form an association of organic farmers and set the price for organic crops	
Managed by	Implementer(s)	Time needed
Regional government and farmer	Regional government and farmer	1 year

Action 4 (organic farming) should fall under the administrative and financial management of the non-state organisation that manages the Fund for Experiments in Rural Livelihoods. Thus, the research would not commence until that fund is operational. The Fund for Experiments in Rural Livelihoods would then use 10% or more of its allocated budget to fund some experiments in organic farming, following recommendations from the research

phase. In later years, a further 6% of the total budget for the fund will become the budget line for supporting various activities to link farmers growing produce with organic produce wholesalers outside of Magway (e.g. pay for visits, communications, etc.).

In other words, there will be three steps to implementing this set of actions:

1. Research what seems to be the most viable organic crops (and certification requirements, etc.)
2. Fund some experiments to grow these and identify “winners”
3. Have ongoing light subsidies to maintain relationships with those higher up the value chain so as to build up trust, communication, quality control and the scale of production.

The above Fund for Experiments in Rural Livelihoods should give priority to new crops or livestock varieties. What is “new” needs to be defined. As well as new varieties, grants could also fund new techniques (e.g. pig vaccinations in some villages). In all cases, however, very careful results-based M&E should be part of the implementation design. The purpose of this fund is to find “what works” in terms of sustainably increasing household (SME) incomes. “New” could also include testing some basic processing of existing crops (e.g. making jams, apple juice, etc.). Funded projects might take a few months or a few years to be fully implemented (e.g. for new tree crops to grow).

Action Area 5

To market, promote and develop value added product of local products

The problem	There is no local market for beans and Magway's market is influenced by the Indian market. Knowledge on packaging is still limited. It is difficult to produce value added products because of lack of technology, research and capital	
Solution(s)	Government provide assistance for marketing, business match making, invite technical expert.	
Action 5.1	To set up and develop cross-country and cross-region trading market. As an example, there is a rice scarcity in Chin State. Hence, Magway Region government and Chin government should trade with each other. Likewise, the government should try to negotiate a deal on international level.	
Managed by	Implementer(s)	Time needed
Business owner and associations, government	Business owner, department of trade and promotion	One years
Action 5.2	To develop and provide support for laboratory in food processing, experiments for agriculture based products.	
Managed by	Implementer(s)	Time needed
Designer, business owner, relevant govt. department, research centre, SME department	Agricultural department, business owner, internal/external expert, SME department	One year
Action 5.3	To establish a research centre which receives feedback from consumers and signals from the market; set up an quality control system based on international standards; improve agricultural and packaging system (irrigation system, fertilizing,...)	
Managed by	Implementer(s)	Time needed
Government, business owner	Government, bank, business owner	ASAP
Action 5.4	To create, develop and maintain the specialization of each village. Each village should specialize in one product based on their competitive advantage and build its market reputation upon it.	

Managed by	Implementer(s)	Time needed
SME department	Business owners and Head of village administrative	Three years

The above border trade study in Action 5.1 would require a detailed TOR and tender process. The study should consider all issues pertaining to increased trade and investment flows across the border. That includes physical infrastructure requirements (cool storage, warehouses, etc.) and options for border zone management and land use. The present reality when it comes to border costs – both formal and informal – should be reviewed, and recommendations should be made to improve efficiency and transparency. The use of new technologies is a subject that should also be covered.

Action Area 6

To strengthen the cooperation between the private sector and township administration and departments (eg. regular meeting)

The problem	The government is lack of awareness about the private sector as well as responsibilities and accountability for activities in these areas. There are hardly any regular meeting and coordination between them. The business owners are not aware of legal matters, regulations, and laws.	
Solution(s)	Relevant departments should communicate with business owners to understand their needs and situation to intervene timely and effectively to create a stable market. Business owners need to understand and follow law, policy, and procedures. This helps protect their interest and right as well as the system, creating a healthy business environment. Private sector should link and work with government departments. They can form associations to coordinate with government. The government should link with international and local organizations and relevant departments to understand and meet the needs of private sector Township level government departments should release documents regarding the procedures and support to private sector in accordance with current laws, rules and regulations	
Action 6.1	Government should set up database of business owner to support their needs and business related data and information	
Managed by	Implementer(s)	Time needed
Regional government and administrative body	Magway SME branch and department of statistics	6 months
Action 6.2	To create monthly meeting to share information and cooperate on social, religious, regional development affairs.	
Managed by	Implementer(s)	Time needed
Regional government, SME department	SME department	One year
Action 6.4	To link and match making with relevant department and organizations to support needs of private sector	
Managed by	Implementer(s)	Time needed
Regional government	SME and sectoral associations	Two years.

Action 6.5	The departments should promote and raise the awareness of law, rules and regulations and procedures in private sector and build mutual trust	
Managed by	Implementer(s)	Time needed
Regional government	SME department and relevant departments	Two years
Action 6.6	To encourage and support studies on law, rules and regulations and procedure by the private sector	
Managed by	Implementer(s)	Time needed
Relevant department	Business owners	One years

Action Area 7

To design and implement Intellectual Property registration rules

The problem	There are no source of information and training on intellectual property rights available to the public. There is no rule and regulation for patents. Therefore, inventors and firms cannot register to protect their invention hence they have no incentive to create one. This severely hampers innovation and research development, which creates an obstacle to growth and reform. The government should enact rules and regulations as soon as possible.	
Solution(s)	The government should release rules and regulations quickly and carefully. The innovators/producers should advocate to the release of rules and regulations for this.	
Action 7.1	To raise awareness of IP rights widely through state own newspapers, media, radio, TV.	
Managed by	Implementer(s)	Time needed
Government, Ministry of Information, business owners, innovators	Ministry of information and experts	Six months to One year
Action 7.2	Government should set up one department for IP	
Managed by	Implementer(s)	Time needed
Government	Government and parliament	One to three years
Action 7.3	To introduce simple procedures or online registering system for the private sector to register and manage their intellectual property rights	
Managed by	Implementer(s)	Time needed
Government	Government and IT technician	One year

Action Area 8

To improve government policies on vocational training and establish business school

Education and Training	This area addresses two problems: (1) the lack of vocational training and support for such activity; (2) the education of entrepreneurship and business skills	
Problem 1: The Lack of Vocational Training	There are a few TVET schools in Magway region. These schools provide no job security after graduation and receive insufficient funding to acquire materials and infrastructure for teaching. On the other hand, there is a lack of institutions providing skills sets which are in high demand in the market.	
Solution(s)	The government should be able to support the education system by providing training and material. They should develop standard TVET schools and on job training in corporation with international and local expert, business owners and universities. The schools should be aware of market demand and response timely to provide the human resource and sets of skills that the businesses need.	
Action 8.1	To open regular and on job trainings in Magway region	
Managed by	Implementer(s)	Time needed
The government along with the private sector & technical specialist.	Business owners and experts	Three to Six months
Action 8.2	Government should structure and set an educational standard and system with clear cut law, rules, regulations and instructions	
Managed by	Implementer(s)	Time needed
Regional government	Government and experts	6 months to 1 year
Action 8.3	TVET schools should link with international and local business owners, organizations and provide on job training for their students to improve their career readiness, work experience, and hence solve job security issues	
Managed by	Implementer(s)	Time needed
Government and TVET schools	Government and TVET schools	3 to 6 months
Action 8.4	To form a committee that comprises of public, private, CSO, NGO and INGOs to work on policy and provide suggestion to the regional government by their study and monitoring of the labour market and financial funds	

Managed by	Implementer(s)	Time needed
Government and TVET committee	All stakeholders	4 years
Action 8.5	To encourage TVET schools in region and reserve their budget for technology assistance and infrastructure investment and change their teaching contents to meet the market needs.	
Managed by	Implementer(s)	Time needed
Government ministries	Private schools and government TVET schools	4 years
Problem 2: Education of entrepreneurship and business skills	The lack of infrastructure and funding means that it is difficult to obtain land, capital, material and facilities for a business school or the process of technology transfer. Therefore despite INGOs and NGOs supports, there is lack of training programs to meet the needs of the Magway region. SMEs in Magway region are lack of knowledge on business management, cannot produce high quality products, cannot access to modern technology. The level of human resources is low, which becomes a barrier to development.	
Solution(s)	Union government, Regional government, SME development Centre and business owners should cooperate and arrange systematically to open business schools and undertake trainings to provide skilled workers for the Magway region.	
Action 8.6	To select suitable place for business schools and workshops -Magway Region Government, Union Industry Ministry (SME development centre) and business owners should discuss and select suitable places for construction of buildings for business school. The recruitment of staff, facilities, learning aids should be financed by Magway regional government. - To invite and host workshops with national/international experts, relevant persons from various business sectors on relevant subjects for SMEs. - To form regional level SME Committee with member of regional governments and Directorate of Industrial Supervision and Inspection and representatives from SMEs.	
Managed by	Implementer(s)	Time needed
Magway Regional Government and SME Committee	SME Committee in Magway	3 years

Action 8.7	Developing contents/syllabus and training by trainers from business school - To develop content/syllabus with international and national experts, lecturers from Universities, representatives from SME committee, and others experts from various fields to meet needs of the Magway region. Getting approval for the draft syllabus from Ministry of Education through regional government. - To provide effective ToT and advanced training for teachers, need to cooperate with international and national experts.	
Managed by	Implementer(s)	Time needed
SME committee in Magway	SME committee in Magway and Ministry of Education	One year
Action 8.8	To support training fees - Duration of training will be 6 months and open once a year and some training should be 6 months to 2 years. - Provide accommodation, food for trainees - To provide job opportunities after the completion of training. - To provide honorium for SME committee member if needed.	
Managed by	Implementer(s)	Time needed
SME committee and Head of Business School	Head of Business school and teachers.	One year
Action 8.9	To maintain the business school development. To advertise of the opening of training programs through regional, district, townships governments and distribute pamphlets, poster etc.	
Managed by	Implementer(s)	Time needed
Regional government and business school administrative committee	Regional government and business school administrative committee	One year

The above Action 8.6, which could be called the “Fund for Business Learning” should fully fund technical experts coming to Magway to research issues of particular relevance. The issues to be investigated should be clear and of concern to more than just one SME. The Trade Department can hire such persons directly, paying a consulting fee as well as expenses. Such experts must produce reports with specific recommendations. The fund could also pay for relevant external businessmen who have never visited Magway region

before to come and investigate business opportunities (in this case, the Trade Department will only pay for expenses, not fees). Finally, the fund could support Magway businessmen travel when investigating a specific business idea (but only paying for their expenses), or attending relevant training or exhibitions. Whoever receives support from this fund must produce a three-page report about what they did, who they met, what they learned, and if and how the activity has influenced their business plans.

The study of value chains requires a high-quality and detailed TOR against which bidders may present a strong proposal. The budget for the activity should be mentioned in the TOR and with the bid price weighted 20%. This would only fund a “first phase” of value chain research.

Furthermore, this strategy (i.e. building human resources) is in line with the recommendations made by other agencies in different areas. The Office of the Magway Regional Government in the September, 2017 forum emphasized the importance of building capacity and training local tour guide to ensure good services. One method of doing so could be through mobile learning, workshops or village level training on areas like eco-tourism.

Action Area 9

To increase donor funding and institutional support for Magway

The problem	Many SMEs in Magway region want to start or expand their business but are held back by the lack of funding. They also have trouble in finding capitals (machine, material), technology and market for their business.	
Solution(s)	Regional government should cooperate with INGOs, NGO by signing MoUs. They should implement public private partnership.	
Action 9.1	To link with INGOs, local NGOs, Embassies to get financial support to solve problems for SMEs in Magway region	
Managed by	Implementer(s)	Time needed
Regional government	Regional government with PPP	2 years
Action 9.2	Invite INGOs, local NGOs, Embassies to share information and present about Magway	
Managed by	Implementer(s)	Time needed
Regional government	Government	6 months
Action 9.3	To assist businesses to get loan with low interest rate from international banks and domestic banks	
Managed by	Implementer(s)	Time needed
Regional government	Ministry of Planning and Revenue	2 years
Action 9.4	To market and promote the information regarding the eligibility for loans, borrowing procedures and how regional socio economic development can be improved by obtaining such a fund.	
Managed by	Implementer(s)	Time needed
Regional government	Regional government	1 year
Action 9.4	To study international practices on SME and use suitable methods for local SMEs	
Managed by	Implementer(s)	Time needed
Regional government	Regional government	2 years

The Framework for Attracting Investment to Magway should include a list of specific projects calling for funding. Magway-specific ODA projects should not overlap with existing multi-donor fund activities (e.g. the Livelihoods and Food Security Trust Fund, abbr. LIFT), and they should outline a clear argument for how the project can reduce poverty in Magway region and the need for assistance. The first draft should take a consultant two months, leaving four months for the government to get feedback and finalise their strategy document.

Once completed, the government must then promote the strategy document. This can be done via workshops and conferences, directly visiting key donors and through the media (e.g. by writing newspaper articles about the document and making sure it is widely available online). Funds out of the total budget should be put aside for the costs of these activities. The proposed training fund can pay for courses delivered in Magway by local consultants on specific topics (e.g. accounting systems, procurement or monitoring and evaluation) or for staff to attend such courses in the rest of Myanmar.

Action Area 10

To promote local handicrafts

The problem	Local handicraft businesses have no information regarding the market demand, pricing structure and have difficulty in finding new profitable opportunities and market for their products. The insufficient transportation infrastructure creates difficulty in delivery and communication, hence reduces business opportunities and limits trade. SMEs in local handicrafts in Magway region receive no capital and use outdated and rudimentary technology.	
Solution(s)	Regional government and business owners should cooperate to change policies for local handicrafts and provide supports for their development.	
Action 10.1	To provide technology assistances to local handicrafts businesses to produce good quality and designs	
Managed by	Implementer(s)	Time needed
Regional government	Regional government	Two years
Action 10.2	To support and business match making to penetrate to the markets for local handicrafts and innovators	
Managed by	Implementer(s)	Time needed
Regional government	Ministry of Commerce	One year and a half
Action 10.3	To provide study trips in order to apply local and international experiences to upgrade the quality of handicrafts	
Managed by	Implementer(s)	Time needed
Local businessmen in coordination with Regional Government	Regional government	One year and a half
Action 10.4	To link with international and local organizations to get financial supporting	

Managed by	Implementer(s)	Time needed
Regional government	Ministry of Planning and Revenue	One year and a half
Action 10.4	To study and focus on handicrafts which are particularly attractive to tourists.	
Managed by	Implementer(s)	Time needed
Regional government	Regional government	One year and a half

This action area can take advantage of Magway's large woman work force. They are experienced and skilled in making local handicrafts. According to the UNFPA report, the labour force participation rate of women is just 58.5% despite the fact that 53.69% of the population are women. Women-led SME brings tremendous opportunities in poverty eradication, creating livelihoods and supporting human development.

An interesting mobile application for consideration is the iWomen app recently launched by the United Nations Development Programme (UNDP) in Myanmar. This application will initially serve as a network for up to 23,000 female small business owners across Myanmar, but may expand rapidly. The menu for the application reveals its empowering motive: Inspiration; Be Knowledgeable; Be Together; Talk Together; Ready to Play. Content (in Burmese) includes women's success stories (some in audio), advice about relevant issues and options (e.g. regulations, training opportunities, etc.), and a managed forum for related concerns. It does not require a large investment to add OSS-relevant content to this and similar applications. These women could then find out about how and where to register a birth or to get ID cards for their children, or indeed the paperwork and cost of establishing a particular type of business. They could find out the costs involved and even print out application forms using their mobile phones. They could listen to audio or video presentations about the importance of civil registration, as well as about the services being offered by their local OSSs.

Two or three relevant INGOs could be approached for implementation of Action 10.4. They would then be asked for a plan about what they would do over the course of one year given the total budget allotted. They may choose their local partner organisation or have them chosen for them. The winner will be chosen on the basis of their proposal. The purpose of

the project is for an experienced INGO to work directly with local handicraft producers so as to create a regular supply of high-quality handicrafts – including new designs – for a network of shops (in both Myanmar and overseas). In essence, the project's aim is to subsidise the establishment of what is ultimately a sustainable business activity.

Action Area 11

To create, develop domestic and international trading and co-operating network.

The problem	There is no structure for co-operation between SME(s) and relevant agencies (other departments, SME(s) association in another region...). The issues such as how to share costs in a partnership, who should be the leader and where to meet up... deter SME(s) in Magway region from having an open discussion with each other and other parties	
Solution(s)	Magway CCI should take the initiative on this issue by meeting with the media regularly to listen to SME(s)' problems and demands, encourage communication, corporation, and SME(s) actively participation in building regulations and social development.	
Action 10.1	To form a cluster or group on the same business area at village, township, and regional level; use internet and online communication to link SME(s) with each other and set up funds.	
Managed by	Implementer(s)	Time needed
CSO, village community, Township and regional government	CSO, village community, Township and regional government	One year
Action 10.2	To make use of technologies such as the GreenWay Application for searching and linking businesses together; encourage learning on the internet and in person learning, for example by linking with groups such as Shan Maw Myay Group, Ngwy Pin Lae Group,....	
Managed by	Implementer(s)	Time needed
Relevant organizations and relevant ministries	Relevant organizations and relevant ministries	Three years

Action 10.3	The government should allocate unused public land and building to accommodate business associations, meeting and networking events.	
Managed by	Implementer(s)	Time needed
Local businessmen in coordination with Regional Government	Regional government	One year and a half
Action 10.4	To link with international and local organizations to get financial supporting	
Managed by	Implementer(s)	Time needed
Regional government	Ministry of Planning and Revenue	One year and a half

Action Area 12

To promote small off-grid electricity solutions

The problem	Being the primary producer of energy in Myanmar, electricity power is important for SMEs in Magway region but the opportunities for technology transfer is limited. It is difficult to find support and expensive to produce off-grid electricity.	
Solution(s)	Government should provide low cost technology to produce energy from sustainable source such as solar, water and wind power.	
Action 12.1	To start piloting projects and reduce cost for buying raw materials from overseas; to facilitate technology transfer to local people	
Managed by	Implementer(s)	Time needed
Government and business owners	Government and business owners	3 years
Action 12.2	To improve human resource development; to introduce youth scholarships for studies in electricity and energy; to open and encourage peer trainings and exchange of information and experience.	
Managed by	Implementer(s)	Time needed
Government and business owners	Government and business owners	3 years

Data from the Myanmar Census shows that only 22.7% of Magway Region households have main-grid electricity as their main source of lighting, while the majority uses battery (26.8%). There is clearly an active market for off-grid electricity.

Table 6: Source of lighting

Source of lighting									
MAGWAY (REGION)	Total	Electricity	Kerosene	Candle	Battery	Generator	Water mill (private)	Solar system/energy	Other
	919,777	208,473	3,491	207,327	246,373	106,178	7,132	93,192	47,611

Source: Department of Population, Ministry of Immigration and Population (May 2015), 2014 Myanmar Population and Housing Census: Magway Region Report.

What is being used for the purposes of generating electricity in Myanmar, and in Magway Region in particular is not necessarily optimal after budgetary and environmental considerations particular to the region are taken into account. Chinese hydropower generators are cost-effective, but not so useful during dry months. Magway region could usefully investigate best practices and discover some of the exciting new technologies being applied globally, and these can then be brought back to the state for testing. It is recommended that Magway should undertake relevant desk research and to produce a prioritising list of “new off-grid products most relevant to Magway”. Then, the five most relevant new service providers could be offered an allotted sum of money to cover non-fee costs so that they can come and develop their businesses in Magway. These providers should not already be selling to Magway, and could be from any country.

Action Area 13

To decentralise business registration and simplify legal and administrative procedure in starting a business

The problem	It takes a lot of time and money to apply/renew business licenses and costly. Many SME(s) do not understand the government's laws, rules and regulations.	
Solution(s)	Government should simplify their procedures for easy registration. Businessmen should lobby the government for positive changes in policies that support and promote entrepreneurship. The government should open local offices for business registration and organize workshops and trainings to raise awareness of laws and regulations.	
Action 13.1	SME business registration should be done in local/township level. Minister and parliament should instruct local departments and appoint skilled staff to the management and implementation of business registration	
Managed by	Implementer(s)	Time needed
Regional government	Department staff and CSOs	Three year
Action 13.2	To host meetings for all government departments with the aim to find a mechanism to simplify the procedure To host workshops with CSO, NGOs and allow NGOs to organize legal awareness trainings/talks.	
Managed by	Implementer(s)	Time needed
Government	Government	One year
Action 13.3	Registration for business in a sector-wide should be retained for Union and regional level authority. Registration for business at local level can be done in township office. Registration should be finished in one office	
Managed by	Implementer(s)	Time needed
Government ministries	Government ministries	Six months

Action Area 14

Tax exemption or reduction for SME businesses; in particular to introduce exemption for SME start-ups for a certain period of time

The problem	Currently, there is no tax exemption for SMEs on import and export. SME(s) do not aware of taxation rules and cannot get effective support.	
Solution(s)	Government and SMEs should cooperate to solve and reform taxation law	
Action 14.1	Lack of knowledge on taxation law - Revise complicated taxation regulations into simple and transparent tax law. This brings mutual benefit for both the government and SME(s) as it is easier for SME(s) to understand and follow regulations and for government to implement, monitor and evaluate.	
Managed by	Implementer(s)	Time needed
Government	Tax department and legislation body	Three years
Action 14.2	Government should monitor the actual business status of the firms and manage in accordance with laws.	
Managed by	Implementer(s)	Time needed
Government and SME	Government	One year
Action 14.3	To form a network or a system in which SME(s) can receive assistance to produce value added products, technology assistance, machinery for agriculture, livelihoods and for manufacturing businesses to pay taxes.	
Managed by	Implementer(s)	Time needed
SMEs and business owners	SMEs and business owners	Two years
Action 14.4	To meet SME owners in the region, discuss their needs and submit to MP	
Managed by	Implementer(s)	Time needed
SME owner and SME department	SMEs owners and SME department	Six months
Action 14.5	To meet with Union Minister, Regional Ministers and MPs for finalizing of	

	second draft together with SME owners and labour organizations	
Managed by	Implementer(s)	Time needed
Government and SME owners	SME development department and SMEs	Six months

Action Area 15

To refine locally extracted crude oil in Magway

The problem	Currently, there is no law on the governance of refining crude oil. This sector cannot access advanced technology and funds for R&D. Hence, oil sellers in Magway cannot get regular market price because of low quality and lack of competitiveness.	
Solution(s)	Government should allow private sector to refine locally extracted crude oil in Magway.	
Action 15.1	To enact law for refining crude oil in the region To reduce illegal production in the region To reduce black market and increase tax revenue for the government	
Managed by	Implementer(s)	Time needed
Regional government and Ministry of Energy and Electrical power	Ministry of Energy and Electrical power and Ministry of Home Affairs	2 year
Action 15.2	To approve and support access to funds for refining of crude oil	
Managed by	Implementer(s)	Time needed
Ministry of Energy and Electrical power	Ministry of Energy and Electrical power	Three years
Action 15.3	To provide access to modern technology and support, invite external experts and international and national business owners and unskilled workers to work with each other	

Managed by	Implementer(s)	Time needed
Ministry of Energy and Electrical power	Ministry of Energy and Electrical power	Five years

Action Area 16

To improve the capacity of industrial waste management and recycling system

The problem	There is a lack of knowledge on recycling and systematically management of waste from businesses	
Solution(s)	Regional government and city development committees should co-operate on this area.	
Action 16.1	To improve recycling and systematically management of waste from businesses - To classify recyclable waste and keep it separately to use - To raise awareness of classification of waste and management system - To designate place to recycle waste - To place classified waste bins on the main roads - City development committee (municipal) and business owners should take advantage of this system.	
Managed by	Implementer(s)	Time needed
Regional government and city development committees	Township development committee	
Action 16.2	Management on liquid waste - To use separate methods and pipes dispose waste and water to suitable places - To utilize appropriate means and technology to dispose liquid - To raise awareness of waste and water disposal to river such that the effect on water sources, mammals and environmental impact can be minimized.	
Managed by	Implementer(s)	Time needed
City Development Ministry/Municipal	Township Development committee and SMEs	6 months to 1 year

Action 16.3	Gas waste - To set up higher chimney to reduce the impact on air quality - To use better ventilation system - To promote planting plants to absorb CO2	
Managed by	Implementer(s)	Time needed
Regional government, GAD and DISI	Regional government and SMEs	1 year

Action Area 17

To improve access to water in many sectors: agriculture, manufacturing...

The problem	In Magway region, there is not enough water for irrigation in agriculture. Magway's people face a scarcity of clean drinking water and have no system of using and disposing water. This problem is worsened by the fact that Magway lies in a dry zone of the country and faces droughts every year. This leads to the alarming state of deforestation and brings the need to extend dams, improve access to river water in response to the increasing population	
Solution(s)	Ministry of Agriculture and Irrigation should solve the problem by the renovation of dams and ponds and build new infrastructure. Department of Rural Development should improve access to water	
Action 17.1	To manage staff who are responsible for water inlet and outlets - To distribute water to farm land in accordance with given instructions - To improve water flow in main water ways - Farmers should take care of water flow and water waste - To improve access to water for farm land from planting to harvesting time	
Managed by	Implementer(s)	Time needed
Ministry of Agriculture and Irrigation and	Irrigation department (conservation)	4 to 6 months

Water Management Department		
Action 17.2	To build new small dam or pond To maintain current small dam and ponds - To build access to the ground water - To start a project to raise awareness of systematically storage of water from natural resources such as rain, river and government pipelines (demonstration project)	
Managed by	Implementer(s)	Time needed
Government (Rural development department, municipal, agriculture university)	Relevant department and local SME, local people	2 to 3 years
Action 17.3	To receive funding, technology and support materials	
Managed by	Implementer(s)	Time needed
Government, local NGOs, INGOs and private sector	Government, local NGOs, INGOs and private sector and local people	2 to 3 years

Action Area 18

To clarify, regulate and monitor the process of inspection, licensing and registration of businesses

The problem	There are no specific and proper regulation on licensing, registration and inspection. The procedure takes many steps and cost registers time and money for many inappropriate services.	
Solution(s)	Regional Government and business owner should change the procedure and ensure transparency and efficiency of the system.	
Action 18.1	To disseminate information, distribute pamphlets and make use of technology such as web page, social media, mobile app and information platform.	
Managed by	Implementer(s)	Time needed
Government	Government and IT technicians.	1 year
Action 18.2	To develop and set up One Stop Service system, which is equipped with IT.	
Managed by	Implementer(s)	Time needed
Government and CSO, NGOs	Government and CSO, NGOs	1 year
Action 18.3	To raise awareness of legal and administrative mater in starting a business through video clip and TV program; review and revise inappropriate restrictions.	
Managed by	Implementer(s)	Time needed
Government and CSO	Government and CSO	2 years
Action 18.4	The government should reduce steps in registering and start "One Stop Shop" so people who are unfamiliar with the process do not have to go to many places, fill in many forms and spend a lot of time and money in registration.	
Managed by	Implementer(s)	Time needed
Government	Government	1 year

One-Stop Shops (OSSs) for private businesses have been established in Myanmar, but while they are operational, they are not yet fully focused on achieving (or monitoring progress towards) the key OSS objectives, specified in the 20 May 2015 Terms of Reference for the Union-Level OSS Working Committee:

1. To provide basic services to ensure the needs of citizens
2. Efficient use of resources (time/money)
3. To prevent bribery and corruption
4. To enhance the development of the socio-economy
5. Build trust between government staff and the public
6. Departmental collaboration, coordination and transparency

The 16-member committee document then delves into how these key objectives can be achieved. There are 13 of these sub-objectives. Most of the sub-objectives are intended as ways to achieve the key objectives, and the remaining are instructions about how OSSs should be established and function. Most important is the first one:

“To promote better governance, through a reduction in the processes, the time taken and the costs to access basic services, in turn to be achieved through greater decentralisation of authority and a relaxation of departmental procedures”

The OSS system should therefore be used as the principal pathway to make “doing business” easier in Magway Region. In reality, establishing the OSSs has changed only where interactions with the government take place, but not reduced regulations or costs. That should change. Under this SME Action Plan, the OSSs (led by the GAD) should review how it can do a better job, in particular with respect to supporting SMEs.

Action 18.2 should review how OSSs can become “busy and proactive” in informing and helping citizens and SMEs. This should include a review of what services could be added to OSSs, how different departments could work together more efficiently, how results could be measured and

reported, and what regulations could be simplified or even removed. This would include making such recommendations to the union-level government. As well, this “self research” would determine how budgets for equipment and training could be most effectively put to use in supporting SMEs. This could include paying for internet access. The goals of training OSS staff, which should be ongoing and utilising multimedia, could include:

- Understanding the vision, objectives and regulations of OSSs in Myanmar.
- Understanding the details of “customer-focused” service delivery.
- Learning about all the services delivered by the various OSS departments, “good practice” examples of cooperation between departments, and problem-solving skills.
- Learning-by-doing training could include drafting (or making videos of) service case studies, and monitored “homework” providing Facebook, Twitter, etc. content for the OSS.
- Training course for relevant OSS staff about intellectual property rights(IPR) and patents, followed by a dissemination plan.
- Management and customer-handling training for GAD OSS monitors

Action Area 19

To impose standards, quality control, value added systems and technology for local products

The problem	Currently, there is no standardization of product quality. This happens in every sector of Magway's economy.	
Solution(s)	Government should set a clear quality standard which is easy to understand and follow, suitable with Magway's level of development and benchmarked against international guidelines	
Action 19.1	To propose government and parliament to discuss and develop law, instructions for standardization of all sectors; to improve the system of quality control; the standard of manufacturing, trade and services industry; to provide technology on improving and monitoring standards and related support.	
For Managed by	Implementer(s)	Time needed
Union and Regional government, Parliament	Government	1 year
Action 19.2	To provide support instruments, technology to examine standard in 25 townships	
Managed by	Implementer(s)	Time needed
Government coordination committee and experts	Government coordination committee and experts	2 years
Action 19.3	To raise awareness of quality standard in different sectors	
Managed by	Implementer(s)	Time needed
Government departments	Government departments	1 year

Action Area 20

To solve the problem of underdevelopment in industrial zones

The problem	The industrial zones in Magway (e.g. technology, market, employment, production cost) is underdeveloped and there is no industrial management committee	
Solution(s)	Government, relevant departments and business owners should cooperate and solve this and form industrial zone management committee with local industrial owners	
Action 20.1	To improve the conditions of roads, electricity, water infrastructure to develop the industrial zones in Magway region	
Managed by	Implementer(s)	Time needed
Government and industrial zones management committee	Industrial zones management committees and relevant departments	1 year
Action 20.2	To support technology and capital acquisition to produce high quality industrial products and compete with imported products	
Managed by	Implementer(s)	Time needed
Government and relevant departments	Experts and business owners	1 year
Action 20.3	Invite FDI to industrial zones, facilitate joint venture, improve technology and increase wages	
Managed by	Implementer(s)	Time needed
Government and business owners	Investors and joint venture business owners	2 years
Action 20.4	Universities in Magway region should link with international or ASEAN institution to get access to technologies, scholarships, and encourage overseas institutions to open training schools in the region	
Managed by	Implementer(s)	Time needed
Regional government	Universities in Magway	1 year

CONCLUDING COMMENTS| SIX

This SME Strategy includes 20 Action Areas, and each is as detailed as possible at this stage. The philosophy behind this strategy is to be humble and respect present markets. Markets work quite well in Magway yet opportunities to make high profits doing something different are not obvious. We do not know exactly what crops, or what animals, or what value chain interventions would sustainably increase the incomes of SME farmers and other SMEs. We have some good ideas, but they need to be tested and researched. We also need to be open to new ideas from others. The approach is therefore to “learn by doing”; it is iterative - we research and pilot test, and follow what works. We expect some failures; most new businesses started by private entrepreneurs fail within two years - do we expect that government officials and donors are necessarily better at guessing what will be a commercial success than private business people? Business is risky - particularly anything new. That is the justification for this whole strategy, which underwrites the early costs and risks involved in research and field-testing.

With great risks come high returns when there is success. In commercial activities (which include small farmers that sell their outputs, even if only for a subsistence lifestyle), when something new is proven as profitable, then quickly (and at much lower risk) many others will copy. If, for example, farmers discover the economic value of vaccinating pigs, then they will drive the demand and pay for that service. Similarly, when elephant foot yam was proven as a viable business, numerous farmers started growing it. We need to find new and improved crops and animals that enable farmers to make higher profits than they do now. For that, an experimental learning approach is essential.

If all the above AAs are undertaken, there will be impressive synergies and benefits. The Fund for Experiments in Rural Livelihoods can support experiments to see “what works” in Magway, and then the government can use that information to submit proposals for ODA funds to scale-up the programmes that emerge as success stories (this could be to, for example, LIFT). Similarly, the Fund for Business Learning in the Agriculture and Agricultural Processing Sectors can work in cooperation with the Magway School of Business, sharing lessons about business problems and solutions. They could, for example, undertake pre-feasibility research for proposals calling for foreign investment.

Furthermore, many of the above AAs establish institutional structures that, if implemented properly, have the potential to attract additional funding for the expansion and sustainability of projects. For example, if the Fund for Experiments in Rural Livelihoods proves that it can use its

funds efficiently and transparently, including through rigorous reporting on funds spent and activity results, then it could become something that international donors would consider funding directly.

The path to strengthening and building up the SME sector in Magway, or indeed anywhere, is not easy. There are few immediate solutions and “easy wins”. Mostly what is needed is careful planning and research, supported by information sharing and policy advocacy. This SME Strategy lays the foundations for that approach.

What is needed now is an investment by the Magway Region Government to ensure that a small team, of either government employees or hired consultants, are immediately put to work in bringing these AAs into being over the first 3-6 months of the proposed timeline. These initial months will involve drafting a detailed TOR for each assignment to be undertaken by one or more consultants. This will then be put out to tender, and consultants will be hired according to a specific procurement process. The small team in charge of overseeing the AAs is needed to manage the consultants and ensure quality outputs. They might be needed for one year, after which the government department can take over these tasks.

Annex 1: Organisations Active in Magway Region (MIMU² Database)



Contacts for Organisations and Key Individuals (as of 24 May 2017)

Please help us keep this information up-to-date by reporting any changes to info.mimu@undp.org



Search by:

Organization Acronym	Organization Name	Organization Type	Name of Contact	Position	Phone	Email (s)	Head/Field Office	State/Region	Location	Address
Search Clear Search text in one or more field(s) and hit the Search button. Partial names can be used. Clear button must be used to reset the spreadsheet before a new search. Highlighted contacts are not yet confirmed										

Organization Acronym	Organization Name	Organization Type	Name of Contact	Position	Phone	Email (s)	Head/Field Office	State/Region	Location	Address
ABCD	Action Based Community Development	National NGO/CBO	General Contact	N/A	09-8500838, 09-8522411	abcd.ark.org@gmail.com,	Head_Office	Rakhine	Sittwe	4th May Yu Rd. Ye New Su (West), Sittwe, Rakhine
AFP	Action for Public	National NGO/CBO	General Contact	N/A	636766, 09-42 5307528	afpmyanmar@gmail.com,	Head_Office	Yangon	Yangon	9 - A Pan Cherry Street, Khayepin Yeik Mon 2nd Avenue, Mingalardon Tsp
AAM	ActionAid Myanmar	International NGO	General Contact	NA	064-23697	NA	Field_Office (Different)	Mandalay	Meiktila	Aung TheiDi Road, Infront of Meikhtiar University, Aung San Road
AAM	ActionAid Myanmar	International NGO	General Contact	NA	61-60358	Myo.Htun@actionaid.org	Field_Office (Different)	Mandalay	Nyaung Oo	Extend Ward (4) Quarter, Nyaung Oo Township
AAM	ActionAid Myanmar	International NGO	General Contact	N/A	083-22774	Mayphone.Mynt@actionaid.org	Field_Office (Different)	Kayah	Loikaw Township	No. 77, Thiri Daw Street, Naung Yar (A) Ward, Loikaw Township, Kayah States
ABC	Agency for Basic Community Development	National NGO/CBO	General Contact	N/A	09-49341080	jkpaupu@gmail.com	Field_Office (Different)	Sagaing	Kale	166/4 Youth Center, Sanmyo Ward, Tahan Post Office, Kale 02091, Sagaing Region
ACTED	Agency for Technical Cooperation and Development	International NGO	General Contact	Office Phone	09-8631672	yangon.liaison@acted.org	Head_Office	Yangon	Yangon	No.661(A), Mya Kan Thar Lane (1), Kamayut Tsp
Akhaya Women	Akhaya Women	National NGO/CBO	General Contact	N/A	09-73251085	akhaya.mm@gmail.com,	Head_Office	Yangon	Yangon	No.20.D, Room No. A (601), 6th Floor, Thirimingalar Street, Sanchaung Township, Yangon
APOPO	Anti-Persoonsmijnen Ontmijnende Product Ontwikkeling: Anti-	International NGO	General Contact	N/A	09-450060395	tekimiti.gilbert@apopo.org,	Head_Office	Yangon	Yangon	19/7 Kan Yeik Thas, Mayangone Township, Yangon
ADB	Asian Development Bank	Donor	General Contact	N/A	067-8108066-69	sthaung.contractor@adb.org	Sub_Office (Same Township)	Nay Pyi Taw	Nay Pyi Taw	Ward Number 5-253, Tha Pyay Gone, Zabu Thiri Township, Nay Pyi Taw
ADPC	Asian Disaster Preparedness Center	International NGO	General Contact	N/A		adpcmyanmar@gmail.com	Head_Office	Yangon	Yangon	No. 25, 7th Floor, 50th Street (Lower Block), Botahtaung Township
EMB-Australia	Australia Embassy	Embassy	General Contact	N/A	01 251810, 251809, 246462, 246463	austembassy.yangon@dfat.gov.au	Head_Office	Yangon	Yangon	88, Strand Road
EMB-Bangladesh	Bangladesh Embassy	Embassy	General Contact	N/A	515275, 526144	bdootygn@mptmail.net.mm,	Head_Office	Yangon	Yangon	11-B Than Lwin Rd
BPG	Beneficial Parter Group	National NGO/CBO	General Contact	N/A	09-5084598	bpg.myanmar@gmail.com,	Head_Office	Yangon	Yangon	No.191, Inngyin Street, Ngarhtetgyi (south), Bahan Tsp
BUD	Better and Undisruptive Delivery Support	National NGO/CBO	General Contact	N/A	95078454	budgroup@gmail.com, sundeway@gmail.com	Head_Office	Yangon	Yangon	158 (D), Htee Hlaing Shin Lane (1), Htee Hlaing Shin Housing, Ward (8), Hlaing Thar Yar Tsp
BGF	Body Guard Foundation	National NGO/CBO	General Contact	N/A	691266	mmchelscofield@gmail.com,	Head_Office	Yangon	Yangon	No. 175, Nawarrat 2 Qr., Waibargi Myo Yhit, North- Okkalapa Tsp, Yangon
BDA	Border Areas Development Association	National NGO/CBO	General Contact	N/A	542349, 557538	bdamyanmar@gmail.com,	Head_Office	Yangon	Yangon	A.2, Sein Lei Yeik Thar, New University Avenue Road, Bahan Tsp, Yangon.
BH	BRAVEHEART Foundation	National NGO/CBO	General Contact	N/A	-	braveheart.eccd@gmail.com,	Field_Office (Different)	Ayeyarwady	Kyaiklat	No.54, U Sandar Street, Between 5th and 6th Streets, Kyaiklat
BH	BRAVEHEART Foundation	National NGO/CBO	General Contact	N/A	-	braveheart.eccd@gmail.com,	Field_Office (Different)	Mon	Mudon	Shinsawpu Street, Mudon Tsp
BH	BRAVEHEART Foundation	National NGO/CBO	General Contact	N/A	010-345-0297, 09-448007035	braveheart.eccd@gmail.com,	Head_Office	Yangon	Yangon	223, Yuzana Road, Ward 2, North Okkalapa Township, Yangon

² Myanmar Information Management Unit

Annex 2: Magway SME Strategy Workshop Evaluation

Of the about 250 workshop participants, 110 completed the workshop evaluation form. The feedback from these 110 persons was very positive. They answered five questions (see table below), scoring the first three questions 1, 2, 3, 4, 5 or 6; and the last two questions 1, 2, 3 or 4. The average scores were high (over 4 out of a possible 6, or over 3 out of a possible 4). 39% of the participants strongly agree that all Myanmar states and regions should use this roadmap approach. Also, and most importantly, participants largely agreed that they were able to share all their ideas and opinions.

		Average	Percentage							
Q5a.	Please help us to evaluate the workshop: (Mark only one answer) Overall, I thought that the workshop was	4.6	19%							
Q5b.	The participatory methods used were	4.7	21%							
Q5c.	The international expert (Dr. Adam M. Carty)'s presentation was	5.0	27%							
Q6a.	I felt that I was able to share all my ideas and opinions.	3.2	28%							
Q6b.	This roadmap approach should be used by all Myanmar states and regions.	3.3	39%							
Coding for Q5a., Q5b., Q5c.	Very bad	Bad	Fair	Good	Very Good	Excellent				
	1	2	3	4	5	6				
Coding for Q6a., Q6b.	Strongly Disagree	Disagree	Agree	Strongly Agree						
	1	2	3	4						

Annex 3: References

ADB: Transport Sector Initial Assessment Myanmar

<http://www.gms-cbta.org/uploads/resources/15/attachment/transport-assessment-Myanmar.pdf>

ADB: Power Sector Development in Myanmar

<https://www.adb.org/sites/default/files/publication/175801/ewp-460.pdf>

ADB: MM Transport Sector Policy Note

<https://www.adb.org/sites/default/files/publication/184794/mya-transport-policy-note-es.pdf>

Kyaw, M.A. 2017. Magway Region Tourism Development Forum Report.

McCarty, A. 2014. Data tweaks change face of poverty, 1.

<http://www.mmtimes.com/index.php/opinion/10400-data-tweaks-change-face-of-poverty.html> [23/07/16]

McCarty, A. 2012. Vietnam: Two decades of development lessons, 1.

<http://www.mmtimes.com/index.php/opinion/967-vietnam-two-decades-of-development-lessons.html> [23/07/16]

Myanmar Information Management Unit. 2014. Population and population density map of Magway Region, 1.

http://themimu.info/sites/themimu.info/files/documents/Population_Map_2014_Population_Density_Magway_MIMU841v06_27Jul2016_A4.pdf

Myanmar Information Management Unit. 2015. Magway Region Myanmar, 1

http://themimu.info/sites/themimu.info/files/documents/Region_Map_District_Magway_MIMU764v04_23Oct2017_A4.pdf

Myanmar Times. 2015. In Magway, hope returns to dry zone. <https://www.mmtimes.com/in-depth/13555-in-magwe-hope-returns-to-dry-zone.html>

Oxfam, 2014. Delivering Prosperity in Myanmar's Dry Zone

https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-myanmar-dryzone-smallscale-farmers-280814-en.pdf

UNDP Myanmar, 2014. The state of local governance: Trends in Magway.

http://themimu.info/sites/themimu.info/files/documents/Report_Local_Governance_Mapping_Magway_UNDP_Jan2015.pdf

WB: A Country on the Move

<http://www.worldbank.org/en/country/myanmar/publication/a-country-on-the-move---domestic-migration-in-two-regions-of-myanmar>

WB: Powering Up Myanmar

<http://www.worldbank.org/en/news/feature/2014/10/08/powering-up-myanmar-more-than-7-million-new-electricity-connections-needed-by-2030>

WB, 2014. Qualitative Social and Economic Monitoring – Round Four Report

<http://documents.worldbank.org/curated/en/832871468274754401/pdf/93947-REVISED-WP-P130963-PUBLIC-QSEM-4-Report.pdf>

Castalia Strategic Advisors: Myanmar National

Electrification Program (NEP) Roadmap and Investment

Prospectus

http://www.se4all.org/sites/default/files/Myanmar_IP_EN_Released.pdf

IFC: Strengthening Access to Finance for Women-Owned SMEs in Developing Countries

<http://www.gpfi.org/sites/default/files/documents/Strengthening.pdf>

Ernst & Young: Women in the workplace

<http://www.ey.com/gl/en/industries/government---public-sector/women-in-the-workplace---unleashing-the-power-of-women-entrepreneurs>

ICTS for sustainable agriculture: Technologies for agricultural information sharing

<http://www.fao.org/3/a-i3557e/i3557e01.pdf>

UNIDO: Dynamics of Social Responsibility in Small and Medium Enterprises (SMEs) & SME Clusters

http://backonline.apswiss.ch/6001/dynamics_of_social_responsibility_in_sme_clusters_2006_en.pdf

University of Geneva: Exploring the Link between CSR and SMEs
in Developing Countries: the Case of Somalia
<http://csr.unige.ch/wp-content/uploads/2013/10/SilviaPossenti-CSRandSMEsinDevelopingCountries.pdf>

MM Centre for Responsible Business: Myanmar and CSR: Creating and Implementing Successful Strategy
<http://www.myanmar-responsiblebusiness.org/news/myanmar-and-csr-creating-and-implementing-successful-strategy.html>

Swiss Agency for Development: REFORM OF TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING IN LAO PDR
<https://drive.google.com/file/d/0B0JJgm4gkNLvWjJfMzk5VWtheWc/edit>

GIZ: Strengthening the vocational training System <https://www.giz.de/en/worldwide/17777.html>

ILO: Assessment study of technical and vocational education and training (TVET) in Myanmar
file:///Users/michaeldemartinojensen/Downloads/TVET_in_MYANMAR__1.pdf

REPORT ON CROSS-BORDER ACTIVITIES OF MARKET INTERMEDIARIES IN EMERGING MARKETS
<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD193.pdf>

Wikipedia. 2017. Magway Region. https://en.wikipedia.org/wiki/Magway_Region [13/01/18]

Crowder and Reganold (2015). <http://www.pnas.org/content/112/24/7611>

Dimitri and Oberholtzer (2006).

https://www.organicconsumers.org/old_articles/ofgu/Subsidies021206.php

Cardno Emerging Market (2017), Healthcare and Medical Technologies: Thailand Market Study.