

Enabling Environment of the Water-Energy-Food Nexus

COUNTRY PROFILE -MYANMAR



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1 SUMMARY

1.1 Current Political and Socio-Economic Condition

Myanmar's military usurped power from the people's elected government in early February 2021. Most of the government structure has been reorganized by new military government but is not fully functional because of the nationwide Civil Disobedient Movement (CDM). The United Nations and Group of Seven (G7) countries have condemned the military junta for human rights violations. There is the possibility that the military government may face new sanctions, which has resulted in delays in financial operations in Myanmar. The unpredictable political situation may have significant consequences for Myanmar's GDP.

1.2 Policies and Trends in the Water-Energy-Food Nexus

Agricultural production is broadly resilient to the economic effects of the COVID-19 pandemic. There was a severe impact on the industrial output and growth of the services sector that slowed it down, but some subsectors were more resilient than others. Under the Myanmar COVID-19 Economic Relief Plan (CERP), support and incentives include exemptions for electricity charges to households and direct in-kind and cash transfers to vulnerable households. Myanmar's main crops are rice, beans and pulses, and oilseeds. Rice is the dominant crop (approximately 46% of harvested area and 53% of production value), but beans and pulses generate higher exports. The low irrigation coverage of crops is exacerbated as government systems only allow water to be used for rice paddies. Myanmar's renewable freshwater resources is among the highest in region and a significantly competitive agricultural advantage, yet less than 10% of it is utilized. Major obstacles in agricultural sector investing are land tenure and land confiscation. Other investment challenges include a high-cost transportation system, poor water control systems, weak rural financial institutions, and low public investment in agricultural research.

1.3 Priorities and Resources for Innovators in the Water-Energy-Food Nexus

Myanmar ranks 165 out of 190 economies, with a composite "Doing Business" score of 46.5. Compared to other countries in region, however, Myanmar ranks higher in terms of presence of innovative business models, sound entrepreneurial culture, conducive and stable regulatory environment, and robust support ecosystems that influence investors' decision to set-up base in-country. The Directorate of Investment and Company Administration (DICA), Myanmar's investment promotion agency, offers investment facilitation and promotion activities through a "one-stop shop" for business licenses, permits, investment approvals, and other needed procedures.

See Annex 1 for summaries of relevant policies in the water-energy-food nexus.

See Annex 1 for a description of local enabling environment actors and stakeholders in the nexus.

See Annex 3 for a list of Business service providers (incubators and accelerators) in Myanmar.

See Annex 4 for a tax profile of the country.

See Annex 5 for a map of major zones and crops grown, as well as export status.

2 MACRO-LEVEL: POLICIES AND TRENDS IN THE WATER-ENERGY-FOOD NEXUS

2.1 Economic Growth and Agriculture

- International trade was significantly affected by COVID-19, with more impacts expected from a second wave. Foreign direct investment (FDI) commitments increased in FY19/20, but actual inflows slowed. Local current (kyat) strengthened more than others against the US dollar.¹
- **The COVID-19 Economic Relief Plan (CERP)** created effective countermeasures to the COVID-19 outbreak by supporting household consumption and helping firms avoid bankruptcy. CERP support and incentives include tax deferrals and exemptions for affected businesses; exemptions of electricity charges for households; loans and guarantees for businesses and civil servants; and direct in-kind and cash transfers to vulnerable households.
- Agriculture is the backbone of Myanmar's economy accounting for approximately 27% of GDP, 20% of exports, and supporting 70% of the population's livelihoods. Women make up half of the agricultural workforce. Women are mostly involved in process of nursery, planting, and harvesting main crops. The newly elected government of Myanmar focused on an inclusive business development policy pushed by the Ministry of Agriculture, Livestock and Irrigation to include gender mainstreaming in the Agriculture Development Strategy (ADS).
- Myanmar's main crops are rice, beans and pulses, and oilseeds. Rice is the dominant crop (approximately 46% of harvested area and 53% of production value), but beans and pulses generate higher exports (see Annex 5). Farmers are applying fertilizers inefficiently or incorrectly despite spending USD 650 million on fertilizers annually².
- Agriculture production is broadly resilient to the economic effects of COVID-19 pandemic. There was a severe impact on the industrial output and growth of the services sector that slowed it down, but some subsectors were more resilient than others; this is likely reflected in a slowdown of consumption and investment growth³.
- Important challenges include limited rural infrastructure, complex land tenure issues, and low agricultural productivity and competitiveness of agri-food products.

2.2 Energy/Water

- 22 million people, or 41% of the population, do not have access to electricity.⁴
- **The Myanmar Energy Master Plan (EMP)** covers renewable energy options for solar, hydropower, wind, and biomass electricity generation for both grid-connected and off-grid applications. The EMP aims to achieve universal electricity access through a mix of 57% hydropower, 30% coal, 8% natural gas, and 5% solar and wind by 2030.
- **The Ministry of Agriculture, Livestock, and Irrigation (MoALI)**, supported by World Bank, is deploying mini-grids and solar home systems for 500,000 households.⁵ There are additional opportunities for investment in off-grid electricity/off-grid technologies, and renewable energy sources.⁶

- Myanmar's renewable freshwater resources are among the highest in region with over 19,000 cubic meters per capita annually; this is approximately nine times greater than China, 16 times India, five times Vietnam, six times Thailand, and 30 times Bangladesh. Myanmar's water resources are a significantly competitive agricultural advantage, yet less than 10% has been utilized.⁷
- Farmers lack access to irrigation systems. In 2015 to 2016, only 16.2% of crop area was connected to public irrigation systems, this is less than all regional countries except for Cambodia. Low irrigation coverage is exacerbated by government systems that only allow water to be used for rice paddies because it is a staple crop. Attention has not been provided to other, more lucrative crops.⁸

2.3 Investment and End-user Finance

- There is tremendous economic and political transformation with continued reforms further opening the economy. The slow pace of the peace process and humanitarian crisis in Rakhine continue to weigh on the investment climate.
- A major obstacle for agricultural sector investing is land tenure and land confiscation. It is a government failure to give full compensation to landowners and the lack of secure land rights pose problems for land acquisition by potential investors. Other investment challenges include a high-cost transportation system, poor water control systems, weak rural financial institutions, and low public investment in agricultural research.⁹
- Co-investment between impact funds and foreign direct investment has emerged in Myanmar. Impact investors collectively deployed \$12 million USD and committed approximately \$109 million USD for future use. All impact capital is currently invested in financial services and most of the future committed capital is directed towards non-impact enterprises in the tourism sector. There are opportunities for investment in microfinance institutions (MFIs) and banks who lend to small- and medium-sized enterprises (SMEs).¹⁰
- From 1998 to 2018, only 25 enterprises in the agricultural sector were approved for foreign direct investment (FDI) for \$395 million USD, or 0.51% of all FDI. For local investment, only 10 Burmese enterprises have invested in the agricultural since 1994; their investment was for \$51 million USD or 0.35% of the total local investment permitted under the Myanmar Citizens Investment Law.¹¹
- **The Myanmar Investment Law (MIL) (2016)** integrates the Foreign Investment Law (2012) and the Citizens' Investment Law (2013) with a range of new tax breaks for investment (see Annex 4).
- Any foreign exchange-related transactions require special permission from the Central Bank of Myanmar. Export-import registration certificates of companies are subject to being revoked if the export earnings are not deposited back into a local bank account within two weeks of the trade.¹¹
- The Myanmar Agricultural Development Bank (MADB) provides financing for farm equipment (e.g., small-scale irrigation equipment, ploughs, thrashers, small tractors). Other commercial banks like AYE, KBZ, and UAB have agri-business portfolios similar to MADB but are limited by very high collateral requirements.
- The MADB task force started a survey to initiate loans for women in agriculture.

- Myanmar is still at the early stage of setting up an enabling regulatory and licensing framework for m-banking to ease technological and cost obstacles. The Central Bank of Myanmar encourages the innovation of mobile applications and the use of available mobile payment services, including KBZ Pay, CB Pay, Wave Money, M Pitesan, OK Dollar, and more.¹²

2.4 Environmental, Social, and Governance (ESG)

- Myanmar is highly vulnerable to climate change and ranked among the bottom 15 countries in coping capacity. The country is projected to experience a 0.8 - 2.7°C temperature increase, resulting in more droughts, floods, and intense cyclones.¹³
- Among surveyed firms in Myanmar, about 35% of all SMEs are women-owned (i.e., more than 50% women ownership). This rate is lower than Cambodia, Lao PDR, and Vietnam. Burmese SMEs are less likely to innovate than those in other Mekong Basin countries; and particularly true for medium sized firms.¹⁴
- The Global Gender Inequality Index ranked Myanmar 85 out of 155 countries. The index measures reproductive health, empowerment, and economic activity. A low female economic participation (51% women vs. 85% men) impacts growth¹⁵
- Carbon emission reductions through low-carbon technology and energy efficiency: The Environmental Conservation Department is implementing the Clean Development Mechanism (CDM) initiatives in Myanmar and cooperating with Japan to formulate projects applying low-carbon, energy-efficient technology.¹⁶
- **The Myanmar Climate Change Policy (2019)**¹⁷ is creating and maximizing opportunities for sustainable, low-carbon, climate resilient development for the benefit of people.
- Despite national-level food sufficiency, food security still affects many rural households. Poor households spend up to 70% of their income on food. There is high indebtedness, malnutrition, and low education, especially among ethnic groups populating peripheral hilly regions and landless farm workers.¹⁸
- **The National Environmental Policy of Myanmar (2019)**¹⁹ covers environmental protection, economic and social development, and poverty alleviation which are linked with each other. Infrastructure planning and development will include waste management, wastewater treatment, drinking water purification, and ambient air and water quality monitoring and management.

3. BUSINESS LEVEL: PRIORITIES AND RESOURCES FOR INNOVATORS IN THE WATER-ENERGY-FOOD NEXUS

3.1 Business Operations

- The Directorate of Investment and Company Administration (DICA), Myanmar's investment promotion agency, offers investment facilitation and promotion activities: "one-stop-shop" for business licenses, permits, investment approvals and other needed procedures.²⁰
- With a view of addressing the issues that hinder the growth of the Myanmar small and medium enterprise (MSME) sector, the SME Development Law was enacted in April 2015. The SME Development Policy was also formulated in 2015.
- Myanmar ranks 165 out of 190 economies with a composite Doing Business score of 46.5²¹
- The SME Development Law offers incentives to registered SMEs with preferential loans, tax relief, human resources and training, linkages with large companies, and technological transfer.
- Compared to other countries in region, Myanmar ranks higher in terms of presence of innovative business models, sound entrepreneurial culture, conducive and stable regulatory environment, and robust support ecosystems that influence investors' decisions to set-up a base.²²
- None of the initiatives of the SME development policy include a clear gender dimension, and most of the existing trainings provided to companies and business owners are not designed to cater to women's needs. The government and related ministries have not reviewed gender-based research, nor have they conducted a gender disaggregated analysis of existing company data to understand gender issues that may inhibit MSME development.²³
- An analysis of data from the 2016 World Bank Economic Survey (WBES) shows that 38% of registered SMEs are small and low-growth firms, with 5-19 employees and growth rates between 0-10% per annum. Among surveyed firms, about 35% of all small and medium firms are women-owned (>50% women ownership), which is lower than Cambodia, Lao PDR, and Vietnam. Myanmar SMEs are also less likely to innovate than their counterparts in other Mekong Basin countries, and this seems particularly true of medium-sized firms.²⁴

3.2 Market Growth

- Agrobusiness in Myanmar benefits from the relaxation of rules concerning imported heavy machinery and chemicals.
- Major local agribusinesses linked to conglomerates, include the Supreme Group of Companies, Dagon Group of Companies, FMI Group, and others. International agribusinesses include De Heus, Yanmar Myanmar, Lesaffre, and others. The agricultural sector also attracts donor-funded organizations and social enterprises, like Proximity Designs, NAG Myanmar, and Impact Terra.²⁵
- **The Contract Farming Law (2019)** includes mandatory operating procedures for contract farming endorsed by MoALI. Private and public companies conducting contracted farming in Myanmar include:

- CP Company: mainly focuses on maize/corn seed production through contract farming in Southern Shan.
- East West Seed: EWS is the quality seed production and distribution private company and mainly focuses on seasonal vegetable seeds in Southern Shan, Western Bago and Mandalay.
- Myanmar Agriculture Private Company Limited (MAPCO): a major public business group mainly in production, processing, and trading in both domestic and export markets for unmilled rice and milled rice. MAPCO implements contract farming with innovative business models and works closely with farmers who are primary unmilled rice producers.
- Supreme Group of Companies: a local company related to Myanmar Agriculture Holding Limited (owned by the military) and focuses on raw sugarcane for sugar mills.
- Due to the COVID-19 pandemic, the closure of manufacturing factories will have a major negative impact on both the agri-food system (AFS) market and the overall economy because of the strong linkage effects between manufacturing, upstream primary agriculture, and downstream marketing services. Survey results from International Food Policy Research Institute (IFPRI) at the end of 2020 showed 69% of rural people suffered from insufficient income for food. Women-headed households represented two-thirds of the total population affected by insufficient income for food.²⁶

3.3 End-User Access

- The Myanmar Agriculture Development Bank (MADB) provides subsidized loans to farmers and credit for agriculture machinery and equipment. Farmers lack collateral, so usually they pursue unsecured group loans and only cover production costs up to 10 acres. There is no support for medium and large farmers. Over 88% of loans to small farmers are for unmilled rice production, but they're insufficient for purchasing farm tools and equipment. MFIs is looking to bridge the gap and provide access to finance but capacity limited.²⁷ Myanmar has many MFIs, but most are small, NGO-based, and supported by donors.
- **Under CERP 2020**, MoALI allocated \$48.5 million USD for lending to smallholder farmers who lost revenue or remittance income, and for supporting input purchases in time for monsoon planting.
- Poor quality seeds limit agricultural sector growth and government seed distribution schemes are under-resourced. Private seed providers do not produce or import enough to meet the demand for quality seeds. As a result, many farmers use saved seeds and produce low yields.²⁸
- The main constraints for adopting agriculture-supported applications (e.g., apps) are the lack of access to smartphones and/or the internet and the lack of digital knowledge. A majority of surveyed farmers are familiar with learning information through Facebook groups. The development of cellular infrastructure coincided with the dominance of smartphones, making Myanmar a 'smartphone first' economy. 80% of mobile connections are smartphones, according to Telenor.²⁹
- Solar Home is developing solutions in Myanmar to improve rural households' access to energy, with 20,000 customers using a pay-as-you-go model. They have plans to expand into Cambodia and Indonesia.

- The LIFT Fund supports international development organizations PACT and World Vision (Vision Fund), to access micro-financing for rural people. They specifically target reaching the hands of women-headed households.

3.4 Scale-up and Expansion Support

- The Untapped Market for Agricultural Innovations in Emerging Economies is a good resource for businesses planning to access the market of women smallholder farmers. It includes information on how to create ideal customer profiles, evaluate competitive positions, create/adapt innovations to be gender-relevant, conduct market reach, and market retention and growth.
- A Netherlands-based investor in Myanmar, One to Watch, has its own 'Impact Program' to help build a pipeline.
- Business service providers and emerging players in the SME support landscape (incubators and accelerators) in Myanmar can be found in Annex 3.
- A Myanmar SME venture fund funded by DGGF and CDC Group PLC (operated by Myanmar-based Anthem Asia), invests in non-tech SMEs. Ticket sizes start at \$250,000 USD.

4 ENABLERS AND BARRIERS FOR INNOVATORS

Enablers	Barriers
- Favorable policy and regulations for private sector investment and foreign direct investment. - New foreign investment law promotes joint venture and 100% full foreign investment in agriculture, energy, and information and communications technology (ICT) sectors. - Strong enforcement of policies and regulations in high priority areas to extend sound environmental management. - Energy policies and regulations with a priority for growing investment of solar energy in Myanmar. - Myanmar's renewable freshwater resources are among the highest in the region and a significant competitive agricultural advantage, yet less than 10% has been utilized. - Basic framework of environmental policies and regulations support WEF nexus innovations.	- Myanmar's "Doing Business" rank of 165 out of 190 economies (various administrative hurdles). - Risk from frequent climate change. - Weak sectoral level synergies. - Land tenure, land confiscation, and high-cost transportation are key hindering factors in the agricultural sector. - Limited provision of agri-support service (e.g., extension, research, credit, tech). - Weak rural financial institutions, and low public investment in agricultural research. - Lack specific policy for development of renewable energy and agriculture innovation. - Weak credit mechanisms to enterprises for off-farm/agri-supply chains - Early-stage set-up of regulatory framework for mobile banking. - Recent political change: military coup will have highly impact private sector and foreign investment in the country.

REFERENCES

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- ¹ World Bank – Myanmar Economic Monitor (MEM), Dec 2020
- ² EuroCham Myanmar, Agriculture Guide (2019)
- ³ World Bank MEM, Dec 2020
- ⁴ International Energy Agency
- ⁵ Vivid Economics, 2017
- ⁶ Myanmar's Agriculture Sector: Unlocking the Potential for Inclusive Growth, ADB, Dec 2015
- ⁷ EuroCham Myanmar, Agriculture Guide 2019
- ⁸ Ibid
- ⁹ Land Scape of Impact Investment in South East Asia (Myanmar, GIIN 2018)
- ¹⁰ EuroCham Myanmar, Agriculture Guide 2019
- ¹¹ Foreign Exchange Management Law (FEML) (2019)
- ¹² <https://www.mopfi.gov.mm/en/blog/45/11309>
- ¹³ World Risk Report, 2017
- ¹⁴ Myanmar Entrepreneurial Ecosystem Assessment, DGGF (2019 Country Report) and World Bank Economic Survey (WBES 2016)
- ¹⁵ Myanmar Population and Housing Census Policy Brief on Gender Dimensions (2014)
- ¹⁶ <https://cdm.unfccc.int/ProgrammeOfActivities/registered.html>
- ¹⁷ Myanmar Climate Change Policy (2019)
- ¹⁸ Myanmar's Agriculture Sector: Unlocking the Potential for Inclusive Growth, ADB, Dec 2015
- ¹⁹ National Environmental Policy of Myanmar (2019)
- ²⁰ OECD Investment Policy Reviews: Myanmar 2020
- ²¹ Doing Business (World Bank) provides scores for indicators on: (1) starting a business, (2) dealing with construction permits, (3) getting electricity, (4) registering property, (5) getting credit, (6) protecting minority investors, (7) paying taxes, (8) trading across borders, (9) enforcing contracts and (10) resolving insolvency. <https://www.doingbusiness.org/>
- ²² WE4F South and Southeast Asia investment Landscape Mapping
- ²³ JICA, Data Collection Survey on Women's Economic Activities in Myanmar (Final Report), November 2016
- ²⁴ <https://www.smefinanceforum.org/sites/default/files/blogs/CTG-CountryReport-Myanmar-Final.pdf>
- ²⁵ EuroCham Myanmar, Agriculture Guide 2019
- ²⁶ FAO, Rome, National Agri-food Systems and COVID-19 in Myanmar Effects, Policy responses and long-term implications, November 2020.
- ²⁷ Ibid
- ²⁸ Ibid
- ²⁹ <https://onlinelibrary.wiley.com/doi/abs/10.1002/isd2.12159>

ANNEX 1: SUMMARY OF RELEVANT POLICIES IN THE NEXUS

Agriculture

- **Agriculture Development Strategy (ADS) (2018/19 – 2022/23):** the three pillars of the ADS are (i) governance, (ii) productivity, and (iii) market linkages and competitiveness. The ADS emphasizes collaborative relationships between farmers, businesses, and the government to achieve the policy goals of food and nutrition security, rural poverty reduction, increasing smallholder farmer incomes, agricultural trade competitiveness, and strengthening farmers' rights. ADS allocated resources for agribusiness value chain development, infrastructure, marketing information, and logistics to stimulate agro-industrial development. Under the ADS, the Department of Agribusiness and Marketing (within MoALI) facilitates specific support for agri-business innovators and investors.
- **Agricultural Policy (2016):** the most recent sector policy statement of MoALI and the basis for the development of the Agriculture Development Strategy (ADS) and implementation plans.

Energy/Water

- **Myanmar Sustainable Development Plan (2018-2030):** the plan will scale-up use of renewable energy resources (e.g., wind, solar, hydropower, geothermal, and bioenergy) in partnership/agreement with local populations. The focus is on access to affordable, sustainable energy for rural populations and vulnerable groups. The plan promotes good water use practices, renewable energy generation, climate change mitigation, green investments, biodiversity, and waste management. Sustainable farming, good agricultural practices (GAP), good animal husbandry practices (GAHP) are established and adopted. Some recommended standards are Global G.A.P standards, ISO/IES 12025 certificate issued by FIDSL, ISO 22000 (food safety management), ISO 1400 (environmental management), and ISO 26000 (social responsibility).
- **National Environmental Policy - NEP (2019):** NEP guides sectoral ministries, NGOs, INGOs, and CSOs to address environment and natural resource management by recognizing the critical roles of Myanmar's natural capital and ecosystem services in the country's society and economy. Learn more: <https://www.ecd.gov.mm/>
- **Myanmar Energy Master Plan (EMP):** ensures sustainable energy sector development and conserves the environment.
- **National Water Policy (NWP) (2014):** an integrated policy for watersheds, rivers, lakes and reservoirs, groundwater aquifers, and coastal and marine waters. In Myanmar there is no single institution responsible for the management of water resources. This policy is the framework for laws, institutions, the plan of action including Myanmar Water Framework Directive (MWFD), and general principles governing legislative and executive powers.
- **Myanmar Climate Change Master Plan (2018-2030):** provides some framework to adopt and implement efficient water management and governance practices in Myanmar, including through technologies for water conservation and other alternatives to flood irrigation systems and other appropriate systems, particularly in climate-vulnerable states and regions, including mountainous areas, flood-prone areas, delta regions, and dry zones.

Environment

- **National Environmental Policy of Myanmar (2019):** a long-term, strategic guidance placing environmental considerations at the center of efforts to promote economic and social development, reduce poverty, mitigate and adapt to climate change, and minimize natural disaster risk. The policy covers aspects of: *water* (waste management and treatment, drinking water purification, and ambient air and water quality monitoring and management); *energy* (low-carbon and resilient growth, sustainable/renewable energy sources, energy efficiency, and security); and *food* (growth and productivity of food systems, agriculture, fisheries, and livestock sectors through low-carbon, climate-resilient, and gender-responsive actions). Learn more: <https://www.ecd.gov.mm/>
- **Myanmar Climate Change Policy (MCCP) and Myanmar Climate Change Strategy and Master Plan (MCCSMP) (2018 – 2030):** a climate change action policy across six priority sectors: (i) climate-smart agriculture, fisheries, and livestock for food security; (ii) sustainable management of natural resources for healthy ecosystems; (iii) resilient and low-carbon energy, transport, and industrial systems for sustainable growth; (iv) resilient, inclusive, and sustainable cities and towns where people can live and thrive; (v) climate risk management for people’s health and wellbeing; and (vi) education, science, and technology for a resilient society.
Learn more: <https://myanmarccalliance.org/en/mcca-partners/documents/>
- **Myanmar National Waste Management Strategy and Master Plan (2018–2030):** this plan aims to reduce and avoid GHG emissions in the waste sector and help address challenges, including climate change, poverty, food security, and resource efficacy.

ANNEX 2: LOCAL ENABLING ENVIRONMENT ACTORS/STAKEHOLDERS IN THE NEXUS

Sector(s)	Name	Relevance to WE4F
Local NGOs/CSO or Policy advocacy groups		
Energy, Water	Spectrum Sustainable Development Knowledge Network	– Facilitate constructive multi-stakeholder engagement on environment, sustainable development, and natural resource management issues.
Environmental	Myitta	– Environmental policy
Water, Agriculture	Network Activity Group	– Climate-smart agriculture, – Water policy for small scale fishermen
Water, Energy, Food	Paung Ku	– Forest, Renewable Energy, Watershed Management Policy
Water, Energy and Food	Proximity	– Innovative irrigation pumps, water storage tanks, drip irrigation systems, solar lighting, and farm advisory services. – Climate-smart agriculture consultancy service
Private Sector Led Initiatives		
Agriculture	PACT	– Microfinance
Agriculture, Energy	Vision Fund	– MFI/investment fund for SMEs
Finance	One to Watch (Myanmar)	– Provides investment and expertise support to entrepreneurs in missing middle actively solving problems and creating jobs. Set up in 2019, the fund offers both growth stage financing and mezzanine financing. https://onetowatch.nl
Finance	Impact Terra	– Leverages Myanmar's smartphone penetration to provide climate and market data to farmers and organizations, receiving \$3 million USD in grants in early 2018.
Agriculture, Energy	UNCDF	– Private sector access to finance and financial inclusion.
Water, Energy, Agriculture	ITC	– Trade and business policy for SME development.
Agriculture	FAO	– Agribusiness and regional integration
Agriculture, Energy	Go Japan	– Industrial policy/agriculture
Agriculture	The Mennonite Economic Development Assoc. (MEDA)	– Increasing access to credit, inputs, market linkages and new technologies; focus on women's economic empowerment.
Agriculture, Water	Group or Research and Technology Exchanges (GRET)	– Private public partnership, support ADS implementation strategy
Public Private Partnerships (PPP)		
Agriculture, Water, Energy, Finance	Livelihoods and Food Security Fund (LIFT)	– LIFT's main thematic areas for programming and policy work: (i) Agriculture, markets, and food systems; (ii) Financial inclusion; (iii) Decent work / labor mobility; and (iv) Nutrition. – Managed by United Nations Office for Projects Services (UNOPS) and received funding from 16 international

Sector(s)	Name	Relevance to WE4F
		donors including: United Kingdom, European Union, Switzerland, Australia, USA, Canada, New Zealand, Ireland, and Norway.
Energy, Water, Agriculture	Responsible Business Fund (RBF)	– ‘Challenge Fund’ to “increase competitiveness and responsible behavior of Myanmar enterprises” via partial grants to SMEs to demonstrate ‘responsible technologies/business practices’. – Established in Aug 2017 RBF disbursed 14.8 billion MMK. Denmark plans additional 5 billion MMK for 5th Call for Proposals (Jan 2021) to support SMEs. RBF focus areas: energy efficiency; water efficiency; waste to value; occupational safety & health; food safety; and wastewater treatment.
Agriculture, Water, Energy, Finance	Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)	– Largest business advocacy group in Myanmar serving as a bridge between government and private businesses. – Focus areas include: (i) economic policy; (ii) trade and investment; (iii) industrial development; (iv) tax and regulation; (v) industrial relations and labor issues; (vi) ease of doing business; (vii) public-private cooperation and dialogue; (viii) financial inclusion; (ix) responsible businesses; (x) technology, innovation, and capacity building; (xi) MSME development; and (xii) strengthening formal business sector
Agriculture, Energy	Danida Business Instruments	– Inclusive and sustainable economic growth enhanced in coastal fisheries and labor market policy.
Agriculture, Energy, Finance	Phandeeyar (Fin Tech)	– Spearheading development of Myanmar’s tech and innovation ecosystem by seed funding, networking, and business skill training. https://accelerator.phandeeyar.org/
Agriculture, Water, Energy	International Monetary Fund (IMF)	– COVID 19 Pandemic Fund
Government Organization/Regulatory Bodies		
Finance	Directorate of Investment and Company Administration (DICA)	– Business registration, licensing, investment facilitation
Agriculture, Food	Ministry of Agriculture, Livestock, and Irrigation (MoALI)	– Department of Agriculture – Department of Planning – Department of SME – Agriculture Mechanization Department – Irrigation and Water Utilization Management Department – Department of Land Use (implementing climate smart agriculture actions including legume crops diversification, agro-forestry, control of soil quality, and irrigation water).
Environment, Water	Ministry of Natural Resources and Environmental Conservation (MoNREC)	– Environmental Conservation Department (ECD)
Environment, Water	Ministry of Planning, Finance, and Industry	– Department of Finance (government counterpart, Institution for COVID-19 Relief Fund Holder).

Sector(s)	Name	Relevance to WE4F
		Department of Industry (SEZ law counterpart public body, online registration for SMEs Industry Portal MOIN).
Gender, BOP	Ministry of Social Warfare, Rescue and Resettlement	Department of Social Warfare (government counterpart, Institution of Labor Law, Gender Mainstreaming and Social Inclusion).
International Bodies/Agencies		
Water, Energy	European Union (EU) / Tha Bar Wa project (WWF)	- Four-year EU project (under SWITCH-Asia Programme) catalyzing sustainable water and energy management in food and beverage sector and SMEs in Irrawaddy River Basin. - To ensure growth and conserve natural resources, contribute to people's well-being, promote innovation, and help industries mitigate risks, cut costs, and reduce water/energy use.
Agriculture	International Labour Organization (ILO)	Implementing "Responsible Supply Chains in Asia – Myanmar" program and SMEs promotions/skills development.
Finance	Organization for Economic Coop. and Dev. (OECD)	Review of Myanmar Investment Policies and supporting government to review and formulate policies and regulations.
Water, Agriculture	Swiss Development Agency (SDA) / Guff of Mottama Integrated Dev. Program	- A five-year project in 2nd phase of integrated coastal zone management in sustainable fishery and climate smart agriculture. - Implemented by HELVETAS, IUCN and Network Activity Group.
Food	Australian Centre for International Agricultural Research (ACIAR)	Agricultural Science and Technology Indicators (ASTI) Research for ADS.
Agriculture, Energy	World Bank (WB) Myanmar	- WB focused on energy sector, water, and climate-smart agriculture sector, and rural financial source. - Relevant WB projects: Energy Sector Management Assistance Program; Myanmar Agriculture Development Support Project; Modernization of Public Finance Management; and Power System Efficiency and Resilience Project. worldbank.org/en/country/myanmar/overview
Food, Gender	- UN Women funded to Gender Equality Network - Asian Development Bank (ADB) funded to Mennonite Economic Development Associate (MEDA) - United Nations Development Programme (UNDP) - Women Bank/ Fin Church Aid	- Organized women groups for advocacy and leadership capacity building. - Income generating skill development training and loan to women groups for initiate women-led small and medium scale business. - Support business skill to become the women-led corporative business.

ANNEX 3: EMERGING PLAYERS IN SMALL- AND MEDIUM-SIZED ENTERPRISE SUPPORT LANDSCAPE IN MYANMAR (INCUBATORS AND ACCELERATORS)

KEY PLAYERS	KEY ACTIVITIES
Project Hub	– Capacity development
Business Innovation Facility	– Business initiative support
Opportunities Now	– Capacity building of youth
Barcamp Yangon 2014	– Knowledge sharing for youth
Spectrum	– Incubators and accelerators for start-ups to growth-stage and mature SMEs.
Emerging Market Entrepreneurs – Myanmar	– EME was established in October 2018 and operates exclusively in Myanmar. EME was founded by UMJ Ikeya Investment, Emerging Markets Group Holdings and Dr Yit Fan Wong in addition to three established regional angel investors and has cornerstone investment from the Dutch Good Growth Fund managed by Triple Jump. EME invests between \$50-250,000 USD into early-stage Myanmar startups.
Yangon Innovation Centre	– A platform for the innovation of young people, creativity, and future inventions for entrepreneurs.
Impact Hub Yangon	– Tech entrepreneurs' skills in micro-finance, human rights, advocacy, and project planning.
Rockstart Impact	– A 100 day program to support viable and scalable businesses that seek an investment for scaling up in Nepal.
Phandeeyar	– Blog and R&D of financial support for emerging start-ups in Myanmar, which also led to the creation of the accelerator in Myanmar.
Hamsa Hub	– Myanmar-based responsible business consulting firm providing services in project and program design, stakeholder analysis, and international development.
Building Markets	– Deep market knowledge, extensive network of local SMEs and partners, and technical assistance (TA) on designed tailored services that address barriers to SME growth in the region.
Ronoc	– Ronoc specializes in TA on emerging markets and is focused on retail financial services and fintech.
Sustainable Business Myanmar	– Sustainability operates in Telenor Group for ensuring sustainable business and extending the benefits of mobile technology.
Myanmar Business Executives	– An NGO and nonprofit social enterprise, with 130 members and network of more than 2,000 responsible entrepreneurs and executives, with the mission to promote sustainable business development in Myanmar.

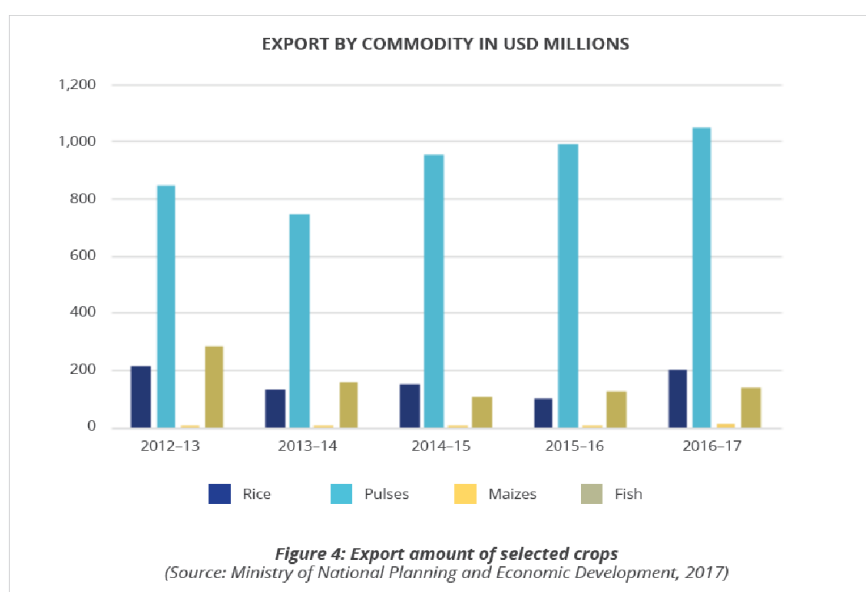
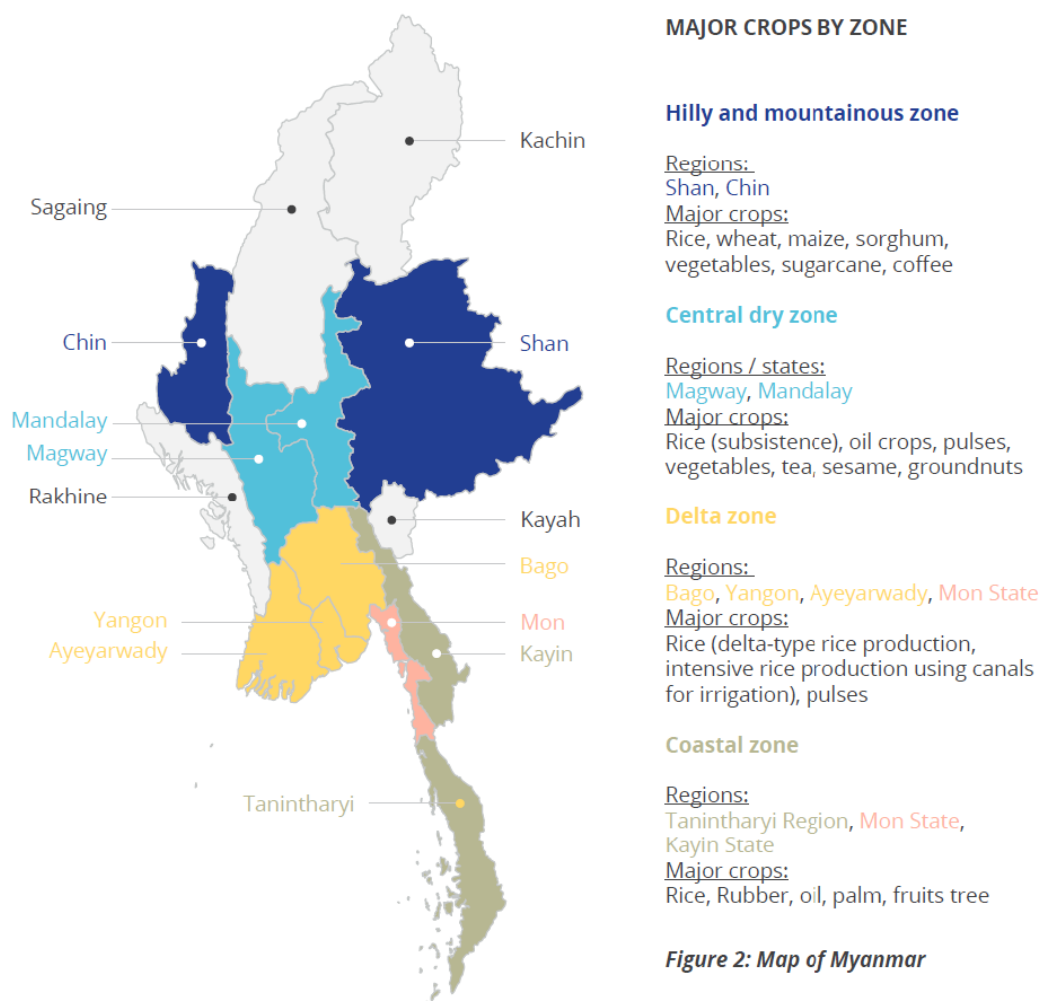
ANNEX 4: TAX PROFILE

Direct tax	<i>Income Tax</i> – Non-resident branch companies pay corporate tax at a rate of 35%. – Companies incorporated under the Foreign Investment Law pay corporate tax at a rate of 25%. <i>Stamp Duty</i> – 2% of the amount or value of the consideration for conveyances of properties, for the sale or transfer of immovable property.
Indirect tax	<i>Commercial Tax</i> – In new tax provision, CT rate is maintained at 5% except for sale of jewelry (at 1%), sale of buildings built and sold in Myanmar (at 3%), and export of electricity (at 8%). – No commercial tax is imposed if the proceeds from production and sales of goods, receipts from services, or proceeds from trading for a financial year are not more than 50 million MMK. <i>Capital Gains Taxes</i> – 10% capital gains tax is levied on gains from the sale, exchange, or transfer of capital assets (i.e., any land, building, vehicle, and any capital assets of an enterprise, which include shares, bonds, and similar instruments). <i>Specific Goods Tax</i> – The SGT rates may differ by goods the specific goods tax rates range from 5% to 60%.
Range of tax breaks on investment	– To promote investments in sectors listed in a notification issued by the Myanmar Investment Commission, an exemption from corporate tax for seven, five, or three years (depending on whether the investment takes place in an underdeveloped, moderately developed, or adequately developed region or state) is possible. The designation of these zones is subject to change from time to time, depending on the development in the respective regions.
Import duty for WEF Nexus, incentives for Nexus SMEs	<i>Goods exempted from CT</i> – Most of the agricultural products (e.g., rice, animal husbandry). – Machines, equipment and machine tools, and tractors used for agricultural and livestock; equipment run by using manpower or animal power from the cultivation of the ground until harvested; or by using only machine and various kind of spare-parts (except the machine required to register according to the motor vehicle act); equipment used for livestock business, machines, and spare-parts machine for livestock business; semen, semen stick, ovum (artificial insemination of animals, fetus and crossbreeding components including frozen semen); solar panels, solar charger controllers, and solar inverters.
Joint Ventures, what percentage allowed	– Local partner or Myanmar citizen must invest minimum 20% of share equities in the form of joint venture company.
Ownership information	– Foreign companies are defined as a foreign entity in Myanmar with 100% foreign ownership.
Manufacturing sectors	– Contract manufacturing services, industrial agricultural services, small-scale private electricity providers that provide electricity distribution services to the divisions that are not connected to the main national grid are CT tax exempted.
Licensing procedures,	– Company registration fee is approximately \$112 USD for all types of private companies and \$1,900 USD for public companies. Complex procedures

	(extensive background checks and letters from the township and the local police station) are required.
Double Taxation Agreements (DTAs)	– Myanmar has signed double taxation agreements (DTAs) with the UK, Malaysia, Singapore, Vietnam, Thailand, South Korea, India, Laos, Indonesia, and Bangladesh. DTAs with all but Indonesia and Bangladesh are in effect. A DTA enables a resident of a treaty country to claim exemption from local (withholding) taxes on business profits in Myanmar if it does not have a permanent establishment in Myanmar.
Performance of local currencies (MMK) per USD	16/17 - \$1 USD= 1,360.0 MMK, 17/18 - \$1 USD=1,560.0 MMK, 18/19 - \$1 USD =1,533.0 MMK, Current 20/21 - \$1 USD= 1,332.0 MMK. It is relatively stable currency now.

Source: Myanmar tax law and investment law; KPMG, 2019 /2020 Tax Analysis reports, 2019

ANNEX 5: MAJOR CROPS GROWN IN MYANMAR AND EXPORT STATUS





Government of the Netherlands



Sweden
Sverige



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