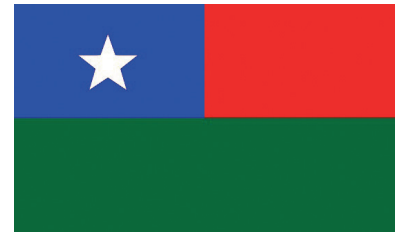


5-Year Strategic Development Plan 2018-2022

Pa-O Self-Administered Zone
Shan State, Republic of the Union of Myanmar



**A PROSPEROUS
COMMUNITY
FOR THIS AND
FUTURE
GENERATIONS**



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Yangon, August 2018

Cover image | Woman and child in Thu Kha Loi Di village, Hsihseng Township



TABLE OF CONTENTS

Foreword.....	I
Summary.....	III
Abbreviations.....	V
Map of the Pa-O SAZ.....	VI
1. Introduction.....	1
1.1. Approach.....	1
Figure 1: Process, timescales, outputs.....	1
1.2. Outputs.....	2
2. Context.....	3
2.1. The Pa-O SAZ.....	3
Figure 2: Selected legislative and executive powers of SAZ Leading Bodies.....	3
Figure 3: Village tracts, households and population in the Pa-O SAZ.....	4
2.2. Vision and situation analysis.....	4
2.3. Priority areas.....	6
2.4. Crosscutting themes.....	8
3. Components.....	10
3.1. Infrastructure.....	10
3.2. Small and Medium Enterprise.....	12
3.3. Technical Vocational Education and Training.....	14
3.4. Agriculture.....	16
3.5. Education.....	18
3.6. Health.....	20
3.7. Tourism.....	22
3.8. Community forestry and agroforestry.....	24
3.9. Social development and inclusion.....	26
Figure 5: Vulnerable group data collected by Pa-O SAZ Leading Body.....	26
4. Coordination.....	28
4.1. Institutional capacity.....	28
4.2. Cooperation.....	28

FOREWORD

According to Myanmar's Constitution of 2008, there is one Self-Administrated Division and four Self-Administrated Zones (SAZs) in Shan State. Since the Constitution was verified, the Pa-O Leading Body has been working on development activities in the three townships of the Pa-O SAZ: Pinlaung, Hopong and Hsihseng. In performing the duties for the country's development, the Pa-O Leading Body coordinates activities with Union and State Government plans, with respective national and international donors and people in the community.

Drawing the initial work plan has been crucial to carry out development activities. In accordance with the quote "failing to plan is planning to fail", we clearly understand that for any activity it is important to plan systematically in advance.

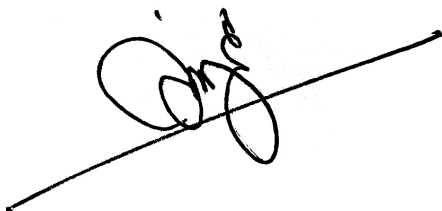
The first "5-year Strategic Development Plan for the Pa-O SAZ (2012-2017)" was designed with the support of Institute for International Development-Myanmar (IID-M) together with the Leading Body. As the Leading Body consistently carried out development activities according to the plan, over 80 percent has now been achieved.

Hence, the updated "5-year Strategic Development Plan for the Pa-O SAZ, 2018-2022" will enable us to plan and carry out the next development activities and to continue to build a prosperous community for this and future generations.

I strongly believe that this 5-year Strategic Development Plan will guide regional development activities, not only for government sectors but also for international agencies and civil society organisations. We will be able to do more in accordance with the strategic plan. As the proposals from the plan are implemented, there will be more job opportunities for young people in the region and stronger human resources, which is a primary aim for the Pa-O SAZ.

The Leading Body would like to express our gratitude and appreciation to UK AID and the DaNa Facility for their support, to Myanmar Institute for Integrated Development (MIID) for leadership and technical support and also to the Pa-O SAZ Leading Body members, Pa-O National Organisation, Parami Development Network and civil society organisations, all specialists and officials from the administrative sectors, for your kind contribution.

In order to build a prosperous community for this and future generations, I would like to encourage all officials from respective sectors, civil society organisations, specialists and the general public to do their best and cooperate to implement the "5-year Strategic Development Plan, 2018-2022".



Khun San Lwin

Chairman

Pa-O SAZ Leading Body

SUMMARY

The 5-Year Strategic Development Plan for the Pa-O Self-Administered Zone (SAZ), 2018-2022 is the outcome of a participatory process initiated by the Pa-O Leading Body, involving Civil Society Organisations (CSOs), business, administration and communities. It aims to guide social and economic development from an informed and community-oriented position.

The strategy has been determined through detailed analysis of the Pa-O SAZ context and the needs and aspirations of local people:

INFRASTRUCTURE

Improvements for villages include upgraded roads, water and electricity supplies and irrigation systems. Capacity for health and education provision increases through work with the relevant Government ministries.

SMALL AND MEDIUM ENTERPRISE

An innovation fund increases access to finance for Small and Medium Enterprises (SMEs), while business development support and vocational training benefits entrepreneurs at all stages of their career. Increased bamboo product development provides SME income generation.

TECHNICAL VOCATIONAL EDUCATION AND TRAINING

A Technical Vocational Education and Training (TVET) policy and coordination unit in the Leading Body works with government, civil society, administration and the private sector, while a feasibility study examines the case for township TVET centres linked with Government Technical High Schools, other TVET providers and the private sector. TVET provider capacity increases, while contextually appropriate short vocational courses respond to the needs of local people, especially youth and vulnerable.

AGRICULTURE

Sustainable agriculture develops through agro-ecology by strengthening policy and structure for coordination and for providing training and loans for farmers. Support also increases farmer land registration, promotes and develops minor and perennial crop and establishes and strengthens farmer groups.

EDUCATION

Monitoring and quality checks assess implementation and teaching quality at rural schools. Educational attainment and exam pass rates improve with scholarships for disadvantaged students and increased teaching resources, as well as extra-curricular activities such as English classes, knowledge sharing workshops, reading groups and exam preparation groups at weekends.

HEALTH

Provision benefits from increased coordination between the Leading Body, Ministry of Health and Sports, civil society and other health sector actors through meetings at township level on planning, budgeting, human resources and supply-chain management. Investment boosts facilities, expands narcotic drug treatment services and provides training for midwives and community health workers, while stronger Village Health Committees increase participation in health prevention activity.

TOURISM

A feasibility study for tourism, tourism-based SME and livelihood development in locations of interest provides the basis to build strategic partnerships for market-focused product development. A Pa-O brand and tailored tourism training ensure the area's tourism offer is both appealing and fit for purpose.

COMMUNITY FORESTRY AND AGRO-FORESTRY

Creation of forest user groups expands community forestry awareness, application and certification. Community-based tree species nurseries and the promotion and application of agro-forestry increase woody perennial crops and trees, while more learning opportunities about bamboo and other value-added products strengthens livelihoods and lessen dependence on finite wood sources.

SOCIAL DEVELOPMENT AND INCLUSION

Strengthening the role of youth groups at village level increases youth engagement with village planning and engagement with leaders. A particular focus on building the capacity of young and vulnerable women supports them to participate in and lead village and SAZ affairs, improve their economic situation and access Early Childhood Care and Development. Social protection for elderly people and livelihood opportunities for vulnerable people are also key elements.

INSTITUTIONAL CAPACITY BUILDING

Assessment of existing administrative structures, policy and systems is followed by capacity building to strengthen skills, structures, systems and policy development. More training and awareness on policy, communications and M&E for Leading Body, Parami Development Network, township-level administration staff.

ABBREVIATIONS

BCC	Behaviour Change Communication
BEHS	Basic Education High School
CBT	Community Based Tourism
CDD	Community Driven Development
CITPAR	Community Involved Tourism for the Pa-O Region
CF	Community Forestry
CSO	Civil Society Organisation
DFID	UK Department for International Development
DOA	Department of Agriculture
DRD	Department of Rural Development
DRRD	Department of Rural Road Development
DSW	Department of Social Welfare
ECCD	Early Childhood Care and Development
FD	Forestry Department
GAD	General Administration Department
GAP	Good Agricultural Practices
GIC	Golden Island Cottages
GTHS	Government Technical High School
IOM	International Organisation for Migration
IWUMD	Irrigation and Water Utilisation Management Department
LBVD	Livestock, Breeding and Veterinary Department
LIFT	Livelihoods and Food Security Trust
LUC	Land Use Certificates
MDF	Metta Development Foundation
MFVP	Myanmar Fruit, Flower and Vegetable Producers Association
MIID	Myanmar Institute for Integrated Development
MMK	Myanmar Kyat
MOE	Ministry of Education
MOHS	Ministry of Health
MOHT	Ministry of Hotels and Tourism
NEP	National Electrification Project
NESP	National Education Strategic Plan
NGO	Non-Governmental Organisation
PDN	Parami Development Network
PNO	Pa-O National Organisation
PTA	Parent Teacher Association
PWEF	Pa-O Women's Education Foundation
PWU	Pa-O Women's Union
PYN	Pa-O Youth Network
SAZ	Self-Administered Zone
SME	Small and Medium Enterprise
TOT	Training of Trainers
TVET	Technical Vocational Education and Training
VTA	Village Tract Administrator
VHC	Village Health Committee
WASH	Water Sanitation and Hygiene
WHH	Women Headed Households

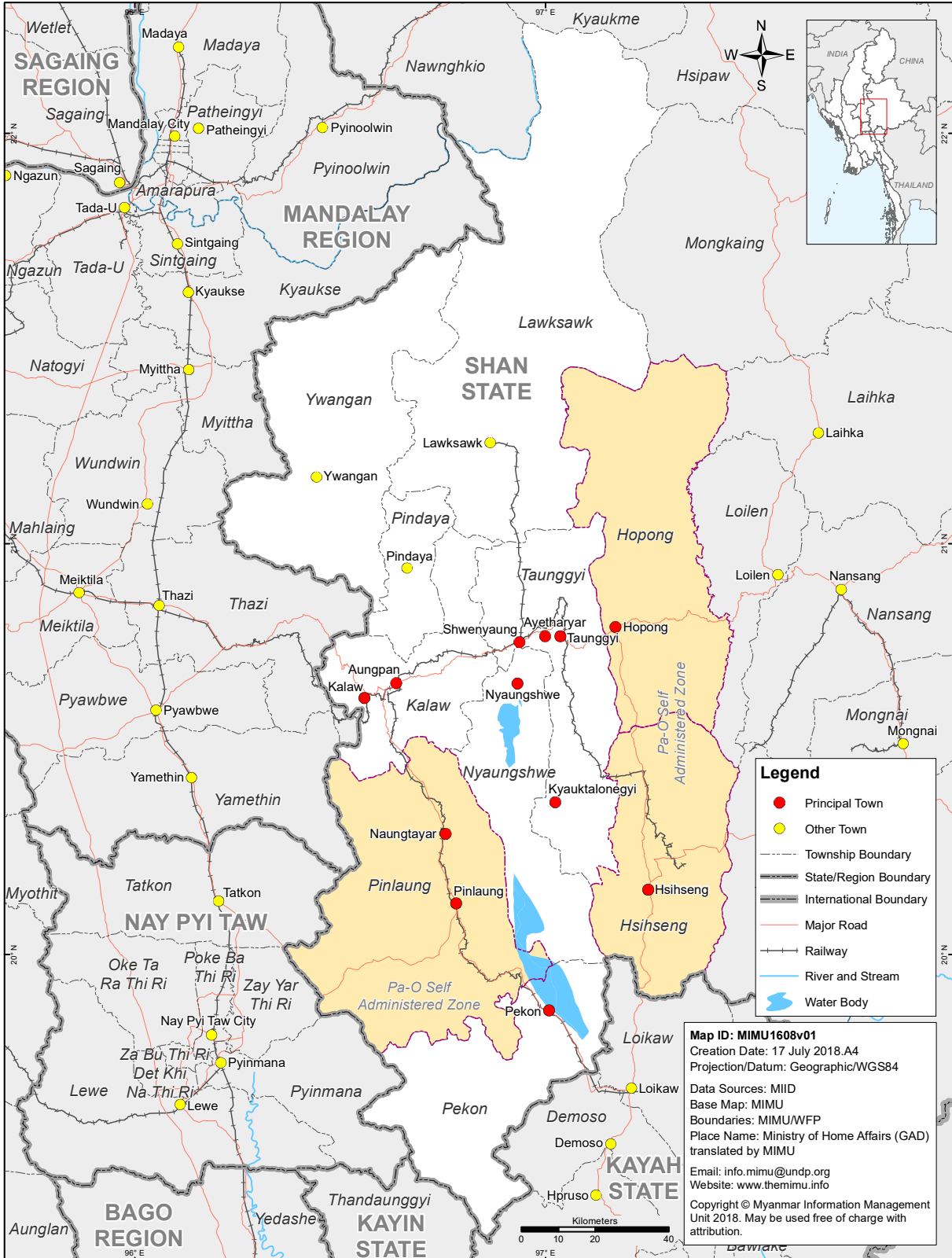
MAP OF THE PA-O SAZ



Myanmar Information Management Unit



Pa-O SAZ Zone Map for the 5-Year Strategic Development Plan



Disclaimer: The names shown and the boundaries used on this map do not imply official endorsement or acceptance by the United Nations.

1. INTRODUCTION

The Strategic Development Plan for the Pa-O Self-Administered Zone (SAZ) 2018-2022 is the result of a participatory process initiated between the Pa-O Leading Body, Civil Society Organisations (CSOs) and Myanmar Institute for Integrated Development (MIID). It provides a framework for social and economic development – responding to the needs and aspirations of local people – that enables leaders of the SAZ to guide and prioritise development from an informed and community-oriented position. The plan has been funded by the UK’s Department for International Development, administered by the DaNa Facility.

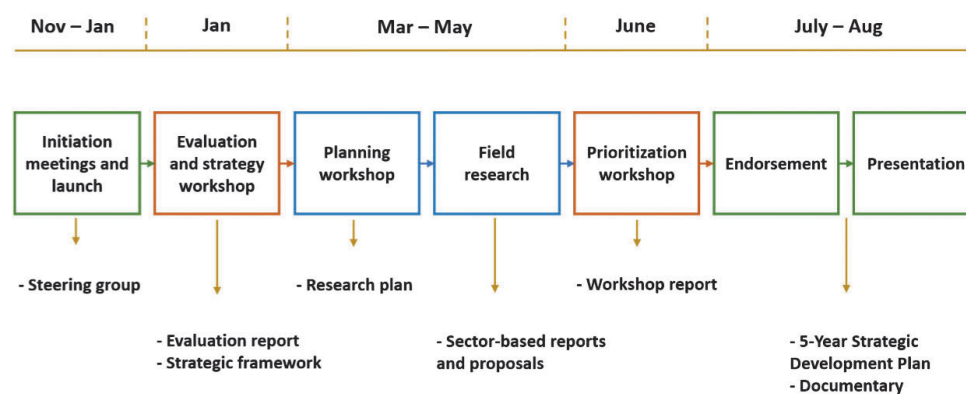
Following granting of SAZ status for the Pa-O region in 2011, the Chairman of the Pa-O Leading Body approached MIID to help with a strategic development plan for the Pa-O SAZ that was completed in 2012.¹ In 2017 the Chairman estimated 80% of the initial objectives had been achieved.² He requested an updated plan to build on progress and to include a focus on social development emphasising youth employment and participation.

The Strategic Development Plan has three parts: First, an overview of the process, context, components and coordination presented here in Volume I. Second, full proposals to address development needs along with detailed breakdown of costs, presented in Volume II. Third, a video documentary of the process and its importance for local people.

1.1. APPROACH

The planning process is illustrated by the following diagram:

FIGURE 1: PROCESS, TIMESCALES, OUTPUTS



Initiation meetings took place with members of the Leading Body, including the Chairman and Executive Committee. This was followed by an official launch event. A steering group was established including members of the Leading Body, CSO Parami Development Network (PDN) and MIID.

The Evaluation and Strategy Workshop involved more than 70 people from the Leading Body, township and village level administration and civil society across the SAZ.³ Civil society representation included women, youth, health, producer and

1 MIID, Strategic Development Plan for the Pa-O SAZ (Volumes I and II, Yangon, 2012)

2 <https://www.mmtimes.com/news/pa-o-leader-outlines-key-economic-priorities-agriculture-hydropower.html> (29 January 2018)

3 For list of all participants from workshops and field research, see: Research Implementation Plan and Stakeholder Consultation, (MIID 2018b)

tourism groups. Participants evaluated progress since 2012, identified development areas for the revised plan and put together a framework to guide the planning process.

A planning workshop with MIID sector specialists and local experts confirmed the field research plan. The research teams included a technical specialist, local representative and facilitator. They were formed in response to the development areas established in the Evaluation and Strategy Workshop. The teams focused on agriculture, community forestry and agro-forestry, education, health, infrastructure, small and medium enterprise, social development and inclusion, tourism and technical vocational education and training.

Field study took place across the three townships of the SAZ over three weeks. It included interviews with government representatives, Village Tract Administrators (VTAs), business owners, farmers, producer groups, religious leaders, teachers, CSOs, INGOs and focus group discussions with local people. The sector-based reports assessed the context, challenges and development approach and put forward costed proposals.

Findings from the research were discussed and verified at the Prioritisation Workshop more than 70 participants. The plan was endorsed by the Leading Body in early August 2018.

1.2. OUTPUTS

Evaluation Report and Strategy Framework. (MIID 2018a). Complete feedback from evaluation of the 2012 plan and SWOT analysis (English and Burmese).

Research Implementation Plan and Stakeholder Consultation, (MIID 2018b). Schedule and list of field research and workshop participants (English).

Strategic Development Plan Thematic Reports [file] (MIID 2018c). All sector assessments and proposals (English).

Prioritisation Workshop Report. (MIID 2018d). Complete feedback from discussion and voting (English).

5-Year Strategic Development Plan for the Pa-O Self-Administered Zone, 2018-2022: A prosperous community for this and future generations (MIID 2018e) (English and Burmese).

5-Year Strategic Development Plan for the Pa-O Self-Administered Zone, 2018-2022, Volume II: Development Proposals, (MIID 2018f). Full development proposals and cost breakdown from the sector assessments (English and Burmese).

A prosperous community for this and future generations. [video documentary] (MIID/PDN 2018), (Burmese/Pa-O with English subtitles).

2. CONTEXT

2.1. THE PA-O SAZ

The Pa-O SAZ was established under the 2008 Constitution and came into force by decree in 2011. SAZs operate on the same administrative level as regions and states. Leading Bodies have legislative and executive powers that enable them and communities to plan and carry out development with some autonomy. The Pa-O National Organisation (PNO) is elected to chair the 12-member Leading Body of the Pa-O SAZ, also including 25% representation from the military.

FIGURE 2: SELECTED LEGISLATIVE AND EXECUTIVE POWERS OF SAZ LEADING BODIES

Legislative power of Leading Bodies
<ul style="list-style-type: none"> • Leading Bodies are allotted legislative power as listed in Schedule Three of the Constitution over the following sectors (IV, 196): <ul style="list-style-type: none"> • Urban and rural projects • Construction and maintenance of roads and bridges • Public health • Development affairs • Prevention of fire hazard • Maintenance of pasture • Conservation and preservation of forest • Preservation of natural environment in accordance with laws promulgated by the Union Government • Water and electricity matters in towns and villages • Market matters of towns and villages.
Executive powers of Leading Bodies
<ul style="list-style-type: none"> • The Leading Body is responsible for assisting the Union Government in preserving stability of the Union, community peace and tranquillity and law and order (V, 278) • The Leading Body shall: <ul style="list-style-type: none"> • Be subject to the policy of the Union Government draw work programmes for the development of their territory and shall co-ordinate with the Region or State Government • Draw annual budget and coordinate for approval with the Region or State Government in accordance with provisions of the Constitution • Have the right to expend the allotted fund included in the Budget Law of the Region or State • Have the right to expend within the permitted framework for general expenditures in the last enacted Budget Law of the Region or State if the Region or State Hluttaw is unable to pass the Budget Bill submitted by the Region or State Government (V, 279) • The Leading Body may (shall) supervise, co-operate and co-ordinate the functions of civil services organisations which are performing the duties within their territory (V, 280) • The Leading Body shall submit reports of the general situation of their territory to the Union and Region or State Governments (V, 281) • The Leading Body shall perform functions which are occasionally assigned by the Union Government and the Region or State Government (V, 282).

The Pa-O SAZ is located in southern Shan State and consists of three townships, Hopong, Hsihseng and Pinlaung. They surround Inlay Lake on the hilly plateaux of its east and west banks at heights of 900-1,400 metres. The SAZ has a cool tropical climate with good soil and reliable rainfall. The population is about 425,000, with 88% living in rural areas.⁴ The Pa-O ethnic group are the majority along with minority groups including Bamar, Shan, Intha, Danu, Lisu and Taungyoe. Since entering into a ceasefire agreement with the government in 1991 the SAZ has generally been peaceful and relations between ethnic groups are good.

⁴ 2017 data provided by Shan State Planning Department, Taunggyi

FIGURE 3: VILLAGE TRACTS, HOUSEHOLDS AND POPULATION IN THE PA-O SAZ⁵

Township	Village tracts	Households	Population
Pinlaung	25	35,527	182,259
Hsihseng	13	24,245	140,288
Hopong	22	17,647	103,464
Total	60	77,419	426,011

Most people of working age – approximately 70% – are unpaid family workers or self-employed.⁶ The majority of households rely on farming and informal seasonal day labour. Government servants, small enterprises such as retail, construction, transport, trading, tea shops and restaurants and a few manufacturing enterprises make up the remaining workforce.

In rural areas the average literacy rate is about 75% while in urban areas it is 88%.⁷ Only 42% of the population over 25 years old have finished primary school. Many young people do not take part in higher education due to access and cost. There are limited work and vocational training opportunities and many of working age leave for Taunggyi, Yangon, Mandalay and to neighbouring countries to find employment.

2.2. VISION AND SITUATION ANALYSIS

Vision

Participants at the Evaluation and Strategy Workshop agreed to keep the same development vision from 2012:

“To build a prosperous community for this and future generations”

Situation analysis

Two discussion exercises at the Evaluation and Strategy Workshop informed the situation analysis:⁸

1. Evaluation of the 2012 plan. Summary:

Successes
<ul style="list-style-type: none"> • Civil society has increased in strength, setting up and establishing CSOs and providing opportunities for youth, women, farmers and others to participate. CSOs have increased links between themselves and government and have coordinated technical support from outside organisations, increasing awareness and capacity through campaigns, advocacy and exchange • Infrastructure in the SAZ is getting stronger through new and upgraded roads, electricity provision and dams • The education sector is improving, enhanced by cooperation with the Union Government, CSOs, international and national NGOs. Demand for education is increasing and the skills and capacity of teachers is getting better. Education facilities are being upgraded, including basic education primary schools in remote areas • Health infrastructure has improved, with extra bed provision, hospitals in each township and sub-rural health centres in many villages. WASH practice has got stronger with more latrines and clean water provision. More vaccines and medicine for children is available and mother and child mortality rates are decreasing but are still high • Agricultural productivity is improving due to stronger infrastructure, training and more value-added products. There has been increased production of some crops such as avocado and coffee. More farmer groups or clusters exist and knowledge of market development is increasing but still limited • Tourism is developing in the region, with increasing visitor numbers to places of interest and the setting up of community-based tourism initiatives • Community forestry practice has increased and forest fires decreased. Training has taken place on the disadvantages of deforestation and using wood from unsustainable sources.

⁵ 2014 census

⁶ *Ibid*

⁷ *Ibid*

⁸ For full feedback see Evaluation Framework and Strategy Report. (MII Da)

Challenges
<ul style="list-style-type: none"> • Lack of skills, knowledge and capacity, among CSOs, farmers, administration, youth and vulnerable groups • Opportunities for technical vocational education and training (TVET) are increasing but remain expensive and difficult to access for most • Lack of technology, resources and investment is affecting the development of all sectors • Unstable markets and dependence on labour-intensive practices are affecting efforts to modernise • Lack of accessible finance for farmers, SMEs and vulnerable people • Infrastructure needs upgrading to improve access to remote villages and to provide irrigation and 24-hour electricity. Weak infrastructure is affecting development of other sectors • Lack of awareness and administrative capacity is affecting the adoption of land registration and sustainable forestry laws • Women, Women Heads of Households (WHH), vulnerable people, face social and economic challenges.
Recommendations
<ul style="list-style-type: none"> • Increase opportunities for skills development, capacity building and technology provision across all sectors • Capacity building for CSOs and strengthening links with government and NGOs for stronger support and opportunity for local people • Establish policy and systems to coordinate investment in agriculture, education, health, infrastructure and to provide TVET opportunities for youth • Awareness raising and capacity building to increase practice in accordance with land registration and forestry laws • Reduce use of chemical fertiliser and eco-unfriendly practice to conserve the SAZ's natural resources and environment.

2. Group SWOT analysis. Summary:

Strengths
<ul style="list-style-type: none"> • Natural assets such as caves, mountains, rivers and forests • Fertile soil and climate • High number of graduates and agricultural labour force • Traditional handicrafts, cultural diversity and heritage • Civil society has increased in strength, including youth and women's CSOs • Proximity to tourist hotspots in the Inlay Lake region • Transportation and communication links with Nay Pyi Taw, Aung Ban, Loikaw and Thailand • Peace and stability.
Weaknesses
<ul style="list-style-type: none"> • Lack of skills, TVET, employment opportunities, especially for youth • Weak infrastructure affects tourism, SME, community forestry and other sectors. Lack of roads, irrigation and electricity provision for remote villages • Lack of local workforce in health and education sectors • Lack of agricultural technical capability to increase value-added products • Extensive use of chemical fertilisers and other eco-unfriendly practices • Lack of farmer groups, knowledge of markets and little knowledge and equipment to increase mechanisation of agricultural production • Lack of awareness and administrative capacity by government to increase land registration • Lack of English language ability.

Opportunities
<ul style="list-style-type: none"> • Caves, mountains, waterfalls etc can increase tourism and other livelihoods • Climate and soil fertility can increase agricultural productivity and the success of growing crops year-round • Crop production can attract foreign investment and increase productivity, value-added products and agricultural industry • Fish and livestock production • Investment by national and international organisations to increase skills and capacity, create job opportunities and increase the provision and use of modern technology • Civil society can strengthen links with government and provide more information and opportunities for local people • Utilise strategic location of SAZ to increase jobs and skills.
Threats
<ul style="list-style-type: none"> • Lack of private investment and government support is a threat to agricultural productivity, industry and skills development • Low levels of technology, unstable markets and low quality final products are threats to business and industry • Weak infrastructure and high fees are affecting tourism • Bad agriculture practice due to lack of education, skills, awareness, chemical use and weak administration is a threat to the environment and natural assets • Lack of climate resilience • Narcotic drug use is a threat to health and productivity.

2.3. PRIORITY AREAS

The following priorities were agreed at the Evaluation and Strategy Workshop:

Administration
<ul style="list-style-type: none"> • Improve administrative mechanisms in government departments • Develop a peaceful and professional administration in the zone.
Infrastructure
<ul style="list-style-type: none"> • Improve transportation infrastructure • Provide electricity for 24 hours within a five-mile range of the township centre • Provide sufficient drinking water supply in every village • Build irrigation channels • Improve communications (mobile phone network).
Natural environment
<ul style="list-style-type: none"> • Develop an agricultural system which does not harm the forests and ecosystem • Provide official Community Forest Certificates to communities • Nurture people to perform environmental activities and support them • Preserve popular places as natural reserve areas.
Tourism
<ul style="list-style-type: none"> • Develop ecotourism • Develop Community Based Tourism • Develop tourism industries in all potential areas.
Agriculture
<ul style="list-style-type: none"> • Provide seeds that match with weather • Develop an agricultural processing industry • Provide Land Use Certification 'Form 7' to farmers • Conduct research on agriculture • Provide training about organic farming and domestic processing • Provide low interest loans to farmers • Establish a system of farmers working in clusters.

Education
<ul style="list-style-type: none"> • Open education colleges in three townships • Upgrade the Basic Education Schools in townships as required • Improve basic education, language and to recruit skilful teachers • Provide good quality school buildings and furniture • Open vocational training schools • Open agricultural training schools • Open livestock training schools.
Health
<ul style="list-style-type: none"> • Nursing and midwifery training schools at township level • Build sub-rural health centre in village centres • Upgrade sub-rural health centre departments, workforce and equipment • Educate the community widely about the danger of narcotic drugs and involve them in making the SAZ a drug-free zone.
Skills
<ul style="list-style-type: none"> • Increase youth skills and employment opportunities in all sectors.

2.4. CROSSCUTTING THEMES

The assessments and workshops highlighted crosscutting themes and issues across all sectors. Development planning and assistance should consider these as priorities to address or incorporate into programming.

Policy and coordination: Stronger structure and policy is needed to guide overall development and sector-specific development. This should be integrated with better coordination, communication and monitoring and evaluation approaches between the Leading Body and the administration, civil society, business and international actors. Institutional capacity building to support more effective delivery is proposed (see Ch. 4 Coordination).

Civil society capacity building: CSOs have improved in strength and influence in the SAZ. Their role as a bridge between the Leading Body, the administration, business and local people, building social capital and as advocates for local people is recognised throughout the feedback. Most proposals include capacity building to increase technical skills and systems to carry out initiatives.

Skills and vocational training: More skills and employment opportunities are needed across all sectors. Training should be culturally and contextually sensitive and followed up to ensure new skills are adopted and applied.

Sensitive to the needs of vulnerable people: Responding to the needs of youth, women, Women Headed Households (WHH), people with disabilities, elderly, landless and rural poor should be a factor of all development planning. Social development and inclusion should not be a standalone component but integrated into all sector programming.

Sensitive to local culture and context: Designing assistance that responds to local culture and context will increase sustainability and application of new skills. Initiatives must be accessible and easy to understand. Proposals include:

- Agro-ecology practice that relates to specific conditions of the Pa-O SAZ
- TVET opportunities that are accessible and responsive to local needs
- Training of trainers (TOT) to identify and build capacity of people from the Pa-O SAZ
- Tourism initiatives, SMEs, product development to enhance cultural identity and increase livelihoods
- Recruit local staff for education and health institutions and strengthen Village Health Committees (VHCs) and Parent Teacher Associations (PTAs)
- Value-added assessments, feasibility studies and research to understand local conditions and training needs to inform development.

Access to finance and financial literacy: Grants, savings, loan schemes, training on saving, investment and budget management is needed to increase access to finance and financial literacy. Proposals include:

- Innovation fund for SMEs and farmer clusters
- Microfinance, saving and loan schemes for women and vulnerable groups, tied to livelihood initiatives
- Support for SME clusters, producer groups to increase collateral and collective investment
- Social security for people with disabilities and elderly
- Financial literacy training as part of business support services
- Grants for farmers, youth, students, vulnerable for support while learning new skills.

Clusters, associations and groups: Groups, associations and clusters can provide livelihood and social opportunities. They can increase access to finance and financial literacy, market access, access to information and services, collective voice, training, capacity building and group/peer support. Possible approaches:

- Establish farmer associations/clusters to improve market opportunities
- Establish and strengthen SME associations/clusters and provide business development support
- Establish user groups for community forestry, agro-forestry and conservation
- Establish and strengthen existing VHCs and PTAs
- Strengthen village youth groups and provide leadership training and skills.

Technology and resources: Investment in resources to modernise technology is needed across all sectors. Training will increase capacity, productivity and quality, ultimately strengthening livelihoods and improving wellbeing. Training on new technology must be followed up by monitoring and support.

Environment and conservation: The Pa-O SAZ relies on its agricultural land and natural assets for livelihoods. It should be a priority to ensure that new development initiatives are sensitive to the environment and adverse effects are minimised.

Land registration awareness and support: Better coordination and communication is needed to raise awareness and application of Land Use Certificates (LUC). Farmers are unaware of the legal framework and how LUC relates to encroachment and conservation.

3. COMPONENTS

Components are arranged according to a vote by participants at the Prioritisation Workshop.⁹ Full proposals, cost breakdown and supporting maps are in Volume II: Development Proposals.¹⁰

3.1. INFRASTRUCTURE



80,000 gallon capacity collector tank under construction, Pinlaung Township

Leading points from the Prioritisation Workshop

- Prioritise main township and village connection roads
- Increase sale and provision of solar panels at affordable prices
- Manage water resource properly through water gates etc
- Establish rain water harvesting tanks for dry season water supply
- Upgrade buildings and facilities for education
- Increase small-scale hydropower.

Background

Infrastructure has improved in the Pa-O SAZ, but some villages need upgraded roads, 24-hour electricity, better domestic water supply and irrigation systems. Education and health buildings need upgrading and maintenance.

Village level roads are maintained by the Department of Rural Development (DRD) and Department of Rural Road Development (DRRD). Na Ta La, part of the Ministry of Border Affairs, also maintain some roads. Budgets are allocated by Union and State government.

Water shortage is a serious issue for domestic water supply and many villages need more accessible sources. Often feeder pipes carry water from nearby springs to communal collecting tanks. Some villagers carry water themselves directly from the spring. Many springs are decreasing discharge due to inefficient irrigation systems. The DRD maintains village water supplies and has an annual phased programme to carry out water distribution work funded by Union and State budgets. The World Bank's Community Driven Development (CDD) programme provides funding and

9. See: Prioritisation Workshop Report, (MIIDd)

technical assistance for DRD and rural development infrastructure programmes. Work includes tube well, tank and pond construction. Weirs and tanks increase water distribution and many of the 20 irrigation facilities need upgrading. The Irrigation and Water Utilisation Management Department (IWUMD) is responsible for irrigation in accordance with their annual Programme of Work currently under development.

The National Grid and sub-stations provide electricity to towns and some villages. Upgrade takes place in accordance with the National Electrification Project (NEP). NEP plans to connect various villages to the grid, usually those within 10 miles. Villages outside this radius are part of solar power programmes led by DRD. Villages must submit proposals and commit to funding 20% of cost. The Leading Body is developing a small-scale hydropower plan.

Maintenance and upgrade requests for schools and hospitals must be submitted to government and can only occur with allotted budget. Many schools need to increase classroom and staff accommodation facilities. The Station Hospital at Tikyit is running at capacity and needs more beds.

Development approach

Using these proposals, the Leading Body can engage DRD, DRRD, Na Ta La, Ministry of Health and Sport (MOHS) and Ministry of Education (MOE) to upgrade rural roads, education and health facilities. Reforestation and community forestry in upland areas can increase water distribution downstream (see **Community Forestry**). Tube wells and pipes need to be expanded for water-scarce villages in collaboration with DRD and the World Bank's CDD programme. Along with physical upgrades to irrigation systems through IWUMD, farmers need increased knowledge of participatory irrigation management and on-farm water management approaches for systematic sharing of water. Upgrades to education and health facilities need to be accompanied by an increase in qualified staff and awareness raising among local people about available services (see **Education** and **Health**).

Proposals

- **Roads:** upgrade village feeder roads to improve market and service access. Eight roads totalling 68 miles are proposed for Hopong, four roads totalling 33 miles for Hsihseng and 16 roads totalling 71.9 miles for Pinlaung. Provisional cost estimate is **US\$ 15,872,000**
- **Domestic water supply:** address water shortages in villages, through village level assessment and installation and upgrading of tube wells, boosting pipes and collection tanks. Costs vary depending on need. For guidance, a Tube well, boosting pipe of four furlongs and collection tank cost **US\$ 18,750**
- **Irrigation water supply:** assess and upgrade weirs, feeder springs, water gates, through desilting, bund and dressing works, abutment and gate installation. Costs vary on need. For guidance, construction/maintenance, land compensation per facility between **US\$ 175,000-400,000**
- **Electrical power:** connect villages within 10 miles of voltage lines to the National Grid, support solar power provision to remote villages in accordance with the National Electrification Plan (NEP) and DRD, explore small-scale hydropower
- **Education buildings:** primary schools and Basic Education High Schools (BEHS) need increased classroom space and staff accommodation facilities
- **Health buildings:** increase bed capacity at Tikyit Station Hospital, Pinlaung.

Cost estimate

Due to multiple factors affecting cost including labour and materials, it is not possible to give an accurate cost estimate for the infrastructure component.

3.2. SMALL AND MEDIUM ENTERPRISE



Source: Qingrui Huang, TVET Specialist

Behind the Leaf Coffee Factory in Pinlaung Township

Leading points from the Prioritisation Workshop

- Increase access to finance for SMEs
- Form SME support fund and provide financial management training
- Form SME clusters in villages
- Increase marketing skills
- Increase SME vocational opportunities for young people.

Background

Nationwide SMEs account for 95% of enterprises. In the Pa-O SAZ almost all of these are family-operated micro-enterprises in the agriculture sector. Others are retail, wholesale, tea shops, small restaurants, construction, motorbike repair, tailors and livestock enterprise. There are some bigger businesses such as guesthouses, gas stations and processing facilities for rice, sugarcane, coffee, edible oil and tea.

Most agricultural produce is not processed and is sold to local traders. Limited value-added processing includes rice milling, dried corn, sugar, coffee pulping, drying, roasting and packaging, drying of spices, tea, cheroot leaves and snack making from potatoes and soybeans. The cottage-industry of bamboo produces woven mats and traditional baskets.

Challenges

Access to finance is a barrier for capital investment in technology for value-added processing and quality upgrading. Most SMEs wouldn't qualify for bank loans and don't have the required licenses. They lack collateral, an issue enhanced by the challenge to obtain land ownership certificates such as 'Form 7' and rely on informal financial channels. Loans from traders and banks often come with high interest rates leading to fear of loss of assets or forced labour.

Farmers lack knowledge on post-harvest treatment, which affects the quality of processed products. Existing processing facilities are inadequate affecting their ability to sell. Information about quality control, sanitary measures and market links

is lacking. Few have technical skills or have received vocational training. SMEs and farmers need business skills yet there are few business development services available.

Development approach

To develop knowledge and skills, increase investment in technology and provide development services across sectors. Bamboo has potential to provide additional income generation for SMEs. Assistance should focus on improving cooperation, involvement and capacity of existing institutions to increase value-added processing, access to finance and skills development. TOT approach is important for local capacity and is sensitive to culture and context. SME proposals should be integrated with other components as indicated, especially **TVET, Agriculture, Tourism, Social Development and Inclusion**.

Proposals

- Innovation fund for SMEs and clusters, increasing investment in processing technologies
- Business development services support to provide financial management, marketing, business planning, market information for farmers, processors, traders and clusters
- Vocational training on processing technologies in cooperation with Government Technical High Schools (GTHS) to increase value-added processing
- Bamboo product development to increase income generation for SMEs.

Cost estimate

US\$ 2,787,400 over five years.

3.3. TECHNICAL VOCATIONAL EDUCATION AND TRAINING



Source: Daw Nilar Win, Education Specialist

Students participate in a short course on brick laying at GTHS Taunggyi

Leading points from the Prioritisation Workshop

- Increase training that is responsive to culture and context. This will increase application of new skills
- Increase training related to value-added products and processing
- Improve access to training by linking with social organisations
- Increase funding and resources
- Increase job fairs promoting job opportunities.

Background

Two Government Technical High Schools (GTHS) are located in townships bordering the Pa-O SAZ in Taunggyi and Pin Pet. They provide building, electronics, mechanics, electrical and machining courses. Completion of 8th Grade is needed and tuition costs 7,800 MMK plus transport, accommodation and food. The GTHS in Taunggyi offers short course mobile training but not yet in the Pa-O SAZ.

Most TVET is informal and related to agriculture. Assistance includes Farmer Field Schools (FFS), business and marketing training provided by development agencies, INGOs, CSOs, Department of Agriculture (DOA) and the PNO. The Naung Kham Agriculture Training Centre in the Pa-O SAZ owns a demonstration farm and provides demand-driven TOT training on Good Agriculture Practices (GAP). It needs financial and technical investment. The private sector increasingly offers training tied to purchase for processing and export of agricultural produce.

Other non-agricultural TVET is provided by IOM, INGOs, NGOs and the Shan State Small-scale Industries Department. Training includes sewing, motorcycle maintenance, computing, brick laying, welding, hospitality. CITPAR offers short courses on Community Based Tourism.

Challenges

More TVET opportunities across all sectors are needed, especially youth and vulnerable groups. Formal TVET places are limited and schemes are difficult and costly to access. There are weak labour market linkages between TVET schemes and the private sector. Few businesses offer apprenticeship, internship or graduate places. TVET is needed to increase farmers' knowledge of cash crop varieties and selection, post-harvest treatment and value-added processing and business management. This can also boost income during transition periods and between harvests.

Development approach

The approach described here is for SAZ-level policy and direction to enable a supportive environment for TVET development. This will enable specific TVET recommendations that are proposed in **all other components**. A TVET policy led by a unit or committee in the Leading Body administration is needed to guide TVET development across the SAZ and to coordinate programming with national plans. This should increase the private sector's role, enable initiatives that are oriented to local and regional markets and strengthen the transition from education and training to employment.

A feasibility study should investigate the potential for vocational training centres in each township. Centres would provide accessible agriculture and non-agriculture short courses in accordance with various sector components in this plan. Existing locations like Naung Kham Agricultural Training Centre should be assessed for suitability alongside links with training providers like GTHS, options for mobile training units and private sector partnerships.

Proposals

- TVET policy and coordination in the Leading Body working with government, civil society, administration and the private sector
- Feasibility study for township TVET centres linked with GTHS, other TVET providers and private sector
- Needs assessment and capacity building for TVET providers to improve flexibility and market orientation of local formal and informal TVET opportunities
- Short vocational courses responding to needs of local people, especially youth and vulnerable, adapted to local cultures and context.

Cost estimate

US\$ 451,000 over five years.

3.4. AGRICULTURE



Farmer tending her field in Hopong

Leading points from the Prioritisation Workshop

- Develop use of perennial and cash crops that are appropriate for each township context
- Carry out research on value chains and soil testing
- Reduce input of chemical fertilisers and increase eco-friendly, organic approaches
- Invest and train farmers in agricultural technology, increasing value-added and processed products
- Develop farmer clusters
- Increase access to loans and finance for farmers
- Increase 'Form 7' land registration applications and number of approvals.

Background

The Pa-O SAZ has fertile soils and favourable climate, providing a good environment for agriculture. 88% of people in the Pa-O SAZ depend on agriculture for their livelihood. The sector consists mainly of rice, potatoes, peanuts, soybeans, sunflowers, pigeon beans, corn, garlic, ginger, turmeric, coffee, avocado, pineapples, mangoes, bananas, cabbages and cheroot. The livestock sector is poorly developed.

Challenges

Low agricultural production is leading to poor profits for farmers and migration of the working age population. Limited knowledge of minor and perennial crops, lack of appropriate technology, eco-friendly practice and access to finance is affecting farmers' ability to produce quality products. This is exacerbated by a lack of business skills and market links which affects their ability to sell products and generate income. They face further economic difficulty during transition when shifting to perennial crops. Weak extension services are affecting farmers' awareness and ability to apply for 'Form 7' land use certification.

Development approach

Understanding the hilly context, its opportunities and risks of inappropriate practices, is essential to develop sustainable agriculture practice. This can be achieved through agro-ecological approaches that respond to the Pa-O region's agriculture, environment and social systems.

Developing minor and perennial crops and value-added products can strengthen livelihoods. Coffee, tea, fruit trees (mango, avocado, orange), pineapple, vegetables (garlic, potato, chili) and spices like ginger and turmeric are already present. Perennial crops, such as coffee, tea and pineapple have potential to increase income. Many farmers face financial difficulties until the crop is fully producing and should receive financial support during the transition period. Improving the performance of minor annual crops such as vegetables, turmeric, ginger, can increase household income and support transition to perennial crops along with grant schemes.

The skills and capacity of farmers needs upgrading to produce quality, value-added products. Business skills and market knowledge can increase farmers ability to sell their products. Clusters and farmer associations can improve income through collective sales. They can also increase access to finance, savings and loans, learning and skills development (see **SME**). Research on product value chains for minor and perennial crops will provide an evidence base for development planning and assistance.

Proposals

- Develop sustainable agriculture through agro-ecology by strengthening policy and structure for coordination and providing training and loans for farmers
- Increase farmer land registration through meetings and application support
- Promote and develop minor and perennial crops by strengthening policy and providing capacity building, township crop plans, training and loans for farmers
- Establish and strengthen farmer clusters and groups to improve market opportunities
- Cost-benefit and value chain studies for minor and perennial crops
- Research feasibility of accessible finance and establish fund.

Cost estimate

US\$ 3,892,900 over five years.

3.5. EDUCATION



Students from Nann Vey Village

Leading points from the Prioritisation Workshop

- Increase resources for students and teachers
- Recruit more teachers from the Pa-O SAZ
- Provide financial support for poor students to reduce dropout rates
- Increase monitoring and evaluation of schools and teachers' performance.

Background

Education in the Pa-O SAZ has improved over the last five years according to local teachers. Infrastructure and teaching methods are getting better. Dropout rates are reducing and students sitting the matriculation exam are increasing. The Government's National Education Strategic Plan 2016-2022 (NESP) has extended schooling to 13 years, in line with other ASEAN countries. Primary schooling is now fully funded and there is recognition of the importance of local languages and ethnic culture to increasing educational attainment. Strengthening TVET opportunity is a feature of the NESP.

Challenges

The pass rate for the matriculation exam is very low, just 24.3% in Hsihseng for example. Educational infrastructure and resources need investment, modernisation and more suitably skilled staff. School to employment transition needs strengthening (see TVET), reducing dropout rates among older students. Students from poor families need incentives, extra-curricular activities and financial support.

Development approach

The Leading Body needs to align its activities with the NESP. This can include:

- Monitoring teaching in rural schools to evaluate progress and adoption of teaching systems
- Increase teaching resources and materials
- Support to poor families to reduce dropout rates through extra-curricular activities, scholarships and grants
- Stronger PTAs
- Better links and support to TVET schemes.

The Pa-O Youth Network (PYN) and CSOs can support extra-curricular activities such as video screenings, study classes and youth discussion sessions.

Proposals

- Monitor rural schools and carry out quality checks to assess NESP implementation and teaching quality
- Increase teaching resources
- Provide extra-curricular activities such as English classes, knowledge sharing workshops, reading groups and exam preparation groups at weekends to increase educational attainment and matriculation exam pass rate
- Provide scholarships for disadvantaged students to reduce dropout rates.

Cost estimate

US\$ 518,000 over five years.

3.6. HEALTH



Pachakalo Station Hospital, Hsihseng

Leading points from the Prioritisation Workshop

- Increase the number of local health workers and health staff to fill specific roles
- Provide effective medical treatment plans
- Increase knowledge of health systems and healthy living through training and awareness in villages
- Increase Pa-O language skills.

Background

Weak infrastructure, poverty and lack of access to services have had an impact on the health situation in the Pa-O SAZ. Despite improvements, rural communities lack good quality health facilities, services and knowledge about staying healthy.

Common causes of disease and death are diarrhoea, dysentery, acute respiratory tract infection, tuberculosis and malaria. Drug use is increasing among youth, contributing to higher prevalence of Hepatitis C and HIV/AIDS. Crude birth rate, infant mortality and maternal mortality are generally higher than national average.¹¹ Maternal deaths are caused by malnutrition, infection, birth complication and unsafe delivery practice by untrained birth attendants.

Challenges

Many rural and remote communities cannot access quality basic health care services. This is due to lack of qualified staff, health facilities, limited health knowledge and health literacy. Narcotic drug use among youth is increasing due to the availability of methamphetamines. Weak coordination among health actors makes development planning and assistance challenging.

Development approach

To improve coordination among health sector actors and provide person-centred health provision to strengthen basic health services in rural communities. This includes expansion of narcotic drug prevention and treatment programmes.

11 2014 census and Township Health Department data and statistics

Proposals

- Increase coordination between the Leading Body, MOHS, civil society and other health sector actors through coordination meetings at township level on planning, budgeting, human resources and supply-chain management
- Invest in health facilities, recruit and train midwives and local community health workers, increase community outreach and communication
- Strengthen VHCs to manage community health provision and increase participation in health prevention activity
- Provide simple information and education resources that are culturally appropriate and adapted to local context, promoted by community volunteers
- Assess and expand narcotic drug prevention and treatment services.

Cost estimate

US\$ 929,400 over five years.

3.7. TOURISM



Pa-O women in traditional dress

Leading points from the Prioritisation Workshop

- Develop tourism infrastructure in relation to specific sites of interest such as Harr and Sin Sin waterfalls (Pinlaung) and Par Pin and Htam Sam caves (Hopong)
- Increase infrastructure, especially guesthouses and licenses for foreigner overnight stays
- Develop Community Based Tourism (CBT) by increasing investment in technology and skills, especially among youth
- Develop eco-friendly tourism and tourism linked to agriculture.

Background

The Pa-O SAZ has strong tourism potential due to its natural assets, culture, heritage and strategic location. The Pa-O Golden Island Cottages (GIC) group and CITPAR are established tourism operators and offer a base for tourism expansion. Ecotourism and conservation are crucial to preserve natural assets and CBT approaches are an important way to strengthen local livelihoods.

FIGURE 4: AREAS OF INTEREST IN THE PA-O SAZ

Pinlaung	Hopong	Hsihseng
<ul style="list-style-type: none"> • Paunglaung Reservoir and Bridge • Ban Mauk Village and Hot Spring • Lone Nagar Pat Pagoda • Naung Woh Water Gate and Cave • Harr Waterfall • Behind the Leaf Coffee Plantation 	<ul style="list-style-type: none"> • Htam Sam Cave • Sin Sin Waterfall • Menetaung Valley • Lwe Mae Mountain • Shan Shwedagon Pagoda • Lay Horse Riding Farm • Parpin Cave 	<ul style="list-style-type: none"> • Lwe Mwe Mountain • Naung Kham Development Centre • Nant Sit Pagoda • Naung Htar Lake and Cave
<p>Potential for adventure, eco, cultural/heritage and agri-tourism.</p>		

Challenges

Foreigners need permits to travel and stay in Hsisheng and parts of Hopong, restricting tourism in the townships. Infrastructure is weak, with no guesthouses registered for foreigner overnight stays in Hsihseng and only one in Hopong and two in Pinlaung. There are few guesthouses for domestic visitors in the SAZ. Natural assets are threatened by eco-unfriendly practice and extractive industries. There is a lack of tourism-based TVET opportunities to build human resources and support expansion.

Development approach

Policy on restriction to foreigners' travel and accommodation needs to be clarified. Increasing strategic partnerships between GIC and CITPAR with established national operators can support business growth and expansion into new areas like adventure tourism. Feasibility studies in areas of interest can identify potential tourism growth and approach. A Pa-O SAZ brand can help market the region to domestic and international visitors.

Pinlaung Township offers the most immediate potential for tourism growth. The newly upgraded scenic route from Nay Pyi Taw to Pinlaung over the mountains connects to the Loikaw-Aung Ban highway linking with Inlay Lake. The township is strategically located on other important routes and near to established tourism destinations.

Finance and business support for tourism SMEs should be strengthened along with tourism-related training for local people and CSOs (see **SME** and **TVET**).

Proposals

- Strategic partnerships for market-focused product development
- Feasibility studies for tourism, tourism-based SME and livelihood development in areas of interest such as Harr Waterfall, Paunglaung Reservoir and along the Pinlaung-Nay Pyi Taw and Loikaw-Aung Ban highways
- A Pa-O brand to support destination marketing
- Tailored tourism training in cooperation with the **TVET** component.

Cost estimate

US\$ 364,800 over two years.

3.8. COMMUNITY FORESTRY AND AGROFORESTRY



Naung Kham Agricultural Training Centre

Leading points from the Prioritisation Workshop

- Increase 'Form 7' land registration and compliance with community forestry laws
- Increase knowledge and production of value-added products, especially bamboo
- Increase links between Forestry Department and villages
- Raise awareness of trees that maintain water and increase plantation, set areas for water diversion and recognise traditionally maintained water diversion areas
- Reduce use of firewood for fuel by increasing alternative products like bamboo and fuel capsules.

Background

Many people in the Pa-O SAZ rely on wood for fuel. This, along with shifting cultivation practice and extractive industries threaten the conservation of forests. Types of land classification for Community Forestry (CF) include reserved forest and protected public forest under the administration of the Forestry Department (FD) and land at the disposal of the government requiring coordination with FD and the GAD. Farmers with land classified as reserved forest and public protected forest cannot apply for 'Form 7' land use certification, but they can apply for CF certification. Application for CF certification should be in accordance with the FD's 10-year plan to establish CF on encroached land.

Challenges

Local people depend on wood for fuel and livelihood posing a challenge to its sustainability. They lack skills for alternative approaches that can conserve the forest ecosystem. Upland watershed forests supply water for local communities and those downstream. The water resources regulated in upland forests are decreasing. Existing conserved forest land should be expanded to improve water regulation and certified as CF for conservation.

Conflicts based on land territory are common due to the lack of land demarcation and encroachment. There is lack of awareness around CF certification despite communities' willingness to have land registered as CF, highlighting the need to strengthen extension services.

Development approach

Sustainable CF enterprise should be developed to conserve forest. This can include community nurseries, agro-forestry, coppicing, intercropping involving woody perennial and sustainable wood types. Other income generating schemes such as bamboo production can strengthen livelihoods (see **SME, TVET, Agriculture**). Stronger extension services between FD and the Leading Body will increase awareness and support for land use certification.

Proposal

The proposal is for a pilot in 2,080 acres of reserved forest in Ta Bat Village Tract, Hsihseng, over one year. This can be expanded to other reserved forest and land at the disposal of government across the SAZ. The proposal includes:

- CF awareness, application and certification
- Creation of forest user groups
- Promotion and application of agro-forestry and woody perennial crops and trees
- Development of community-based tree species nurseries
- Bamboo and other value-added products to increase livelihoods and lessen dependence of finite wood sources.

Cost estimate

US\$ 206,000 over 15 months.

3.9. SOCIAL DEVELOPMENT AND INCLUSION



Source: U Soe Naing Htay, Community Mobilization Officer, MND

Livelihoods discussion at Thu Kha Loi Di Village

Leading points from the Prioritisation Workshop

- Increase participation of youth and women
- Increase leadership opportunities, trust and support for youth and women
- Reduce discrimination against women and address traditional and cultural limitations
- Establish and improve links between organisations for people with disabilities, youth and women
- Increase capacity for livelihoods for older people through handicraft skills.

Background

The Pa-O SAZ's main social development and inclusion needs relate to youth, women, those needing social protection such as people with disabilities and elderly and those needing innovative or specialist livelihood support, such as landless and rural poor.

FIGURE 5: VULNERABLE GROUP DATA COLLECTED BY PA-O SAZ LEADING BODY¹²

	Women Headed Households	People with disabilities	Over 80s	Over 90s
Hopong	5,012	69	Not available	15
Pinlaung	4,090	700	947	70
Hsihseng	2,474	51	347	9

Challenges

Youth lack access to education, skills and employment opportunities contributing to migration and drug abuse. There is little opportunity for youth to participate in local decision making limiting their ability to influence social life in their villages. Young women and girls have few female role-models in leadership and lack confidence.

¹² Information gathered from township administration departments by Pa-O SAZ Leading Body. The data needs verification as statistics for people with disabilities is inconsistent with national average of 4.6% in the 2014 census.

PYN and other youth-oriented CBOs are active in many villages, although activity is often limited to religious ceremonies and occasional political duties. Expanding youth ability to engage with village development and livelihoods is an important step to increasing social development.

Women face barriers to political participation. There are very few women leaders and very little female representation at any governance level. Most women work in the agriculture sector but have limited technical and business skills to produce quality or value-added products. Most WHHs' income is lower than average and would benefit from saving and loan schemes tied to livelihood strengthening programme. Early Childhood Care and Development (ECCD) support is weak.

Other socially vulnerable groups receive little support from government and rely on families and communities. For example, there is no specialist hospital or medical facility for people with disabilities in the Pa-O region or Taunggyi and livelihood opportunities are limited. Over 90s receive a small cash payment of around 10,000 MMK per month. The rural poor in the Pa-O SAZ are predominantly landless and have very little to support their family. More income generation opportunities that are sensitive to their situation are needed.

Development approach

The overall approach is to integrate needs of vulnerable people into all development programming. Initiatives are also needed to provide leadership opportunities for youth, especially young women, at village level. Expand social protection for people with disabilities and elderly. Saving and loan schemes can help support vulnerable groups while they are learning and applying new skills to generate income. This can be particularly beneficial when tied to locally sensitive livelihood programmes, where profits from savings can be invested back into the livelihood pursuit.¹³ Enabling poor rural communities to benefit through community participatory approaches can enable them to enhance their living standards by themselves.

Proposals

- Strengthen the role of youth groups at village level by increasing their engagement with village planning and supporting more participation by young women
- Increase ability of young women to contribute to village and SAZ affairs by increasing leadership, business skills and strengthening networks and CSOs like Pa-O Women's Union (PWU)
- Saving and loan programme for vulnerable women including Women Headed Households, to increase household and budget management skills tied to small business development
- Improve access to ECCD by increasing job opportunities, training for young women and awareness raising
- Expand social protection for elderly people through cash transfers of 20,000 MMK per month
- Research livelihood opportunities for vulnerable people such as agricultural technology, animal husbandry, computing, mobile repair, sewing and incorporate findings into **SME, TVET, Agriculture, Community Forestry**.

Cost estimate

US\$ 1,662,100 over five years.

¹³ An example is Metta Development Foundation's scheme providing microfinance for pig rearing small business in Mok Hsan Village, Taunggyi Township.

4. COORDINATION

The 5-Year Strategic Development Plan is a framework to guide decision making, planning and resource allocation for development initiatives and assistance in the Pa-O SAZ. It is intended for use by the Leading Body in cooperation with Union and State governments, civil society, business and international actors and in accordance with legislative and executive powers granted to Leading Bodies in the 2008 Constitution.

4.1. INSTITUTIONAL CAPACITY

Institutional capacity building is needed to effectively coordinate development in the Pa-O SAZ, both in relation to cooperation among stakeholders and coordination with national policies and plans. Various sector assessments, such as TVET, Agriculture, Tourism, proposed units or committees in the Leading Body to establish sector-based policy and targeted development. Assessment of existing coordination, monitoring and evaluation approaches can identify the skills and systems that need strengthening. Areas for consideration by the Leading Body include:

- Steering committee for oversight and responsibility for the plan's delivery and policy framework for coordination and reporting with Shan State and Union Government
- Sector-based policy to coordinate targeted development led by units or committees
- Coordination and communication policy and systems utilising existing governance and information systems among Leading Body, the administration at township and village levels, civil society and business
- Monitoring and evaluation policy and systems to keep track of development initiatives and to feed into oversight and reports, integrated with coordination and communication approaches.

Proposal

- Assessment of existing structures, policy and systems followed by capacity building to strengthen skills, structures, systems and policy development
- Training and awareness raising on policy, communications, M&E for Leading Body, PDN, township-level administration staff.

Cost estimate

US\$ 106,700 over one year.

4.2. COOPERATION

Many actors carry out development initiatives in the Pa-O SAZ. These include UN agencies, development corporations, INGOs, NGOs and CSOs. The government and Leading Body also have activities to provide development assistance. Full details of actors providing development assistance in the Pa-O SAZ can be found in Volume II: Development Proposals.

