

**United Nations Economic and Social Commission for Asia and the Pacific
Ministry of National Planning and Economic Development
Government of the Republic of the Union of Myanmar**

Third Development Partnership Forum

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Nay Pyi Taw

Opening Statement by
Dr. Noeleen Heyzer
Under-Secretary-General of the United Nations and
Executive Secretary of ESCAP

Your Excellency Mr Vice President, Dr. Sai Mauk Kham,
Your Excellencies, Ministers of the Government of the Union of Myanmar,
Ambassadors

Excellencies, distinguished participants, ladies and gentlemen,

It gives me great pleasure to welcome you to the Third Development Partnership Forum on Improving Rice Policies for National and Regional Food Security: Challenges and Opportunities," being held jointly by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), and by the Ministry of National Planning and Economic Development, and the Ministry of Agriculture and Irrigation, Government of Myanmar.

Please allow me to express my deep appreciation to H.E. U Thein Sein, President of the Republic of Myanmar, for his support of this forum. We thank you, Mr. Vice President, for your keynote address, with its analysis of the development gaps faced by Myanmar today and a sense of the development path that a new Government will take under the leadership of the President.

I would like to thank the presence and participation today of 9 Ministers and 11 Deputy Ministers. In particular, I would like to thank both U Tin Naing Thein, Minister of National Planning and Economic Development for his leadership in co-organizing this forum, and U Myint Hlaing, Minister of Agriculture and Irrigation for extending his Ministry's cooperation, making this a true partnership for development between the United Nations and the Government of Myanmar.

I also thank the Ambassadors, and all the development partners, including the UNCT, the bilateral and multilateral organizations, senior policy makers, civil society and private sector representative from Myanmar for their presence at this gathering.

Excellencies, distinguished participants, ladies and gentlemen

The Third Development Partnership Forum has its origin in the Second Development Partnership Development Forum which was jointly organized by ESCAP and the Ministry of Agriculture and Irrigation in Nay Pyi Taw on 15 December 2009. As you may recall, that forum was attended by the Nobel Laureate Prof. Joseph Stiglitz who presented a road map for the revitalization of Myanmar's rural economy. I am very pleased to note that the recommendations that stemmed from that forum were considered by the Government for further discussion and implementation.

Today's forum will take that discussion forward. The forum also comes soon after the National Level Workshop on Rural Development and Poverty Reduction where the

President observed that the agricultural production costs were still high, productivity low while the population was growing and living costs increasing. He also noted that the new Government's drive for building a modern and developed nation largely depended on the country's pace of economic growth.

It is my hope that today's forum will provide a more in-depth understanding of the current challenges and opportunities faced by Myanmar's agricultural sector and offer ways to develop its rural economy faster and more equitably. We are gathered here today to analyze, to debate and to dialogue based on reliable data and comparative experiences from the region and beyond. We seek to identify the short and long-term solutions necessary to remove barriers and bottlenecks throughout the supply and value chains of the rice economy so that we can reverse rural stagnation and build a dynamic modern economy for the country and the people of Myanmar. We are interested in improving the position of Myanmar's smallholder farmers and in reducing the burden of poverty for vulnerable populations within rural areas. With this forum, we will endeavor to provide concrete next steps and follow-up actions for an inclusive and sustainable rural economy to ensure that Myanmar is better positioned to become once again the rice bowl and a major food producer in the region. In short, we seek to translate vision into actionable policies.

Excellencies, distinguished participants, ladies and gentlemen,

Economies are integrated systems that can function when we get our macroeconomics and microeconomics right. The rice economy provides an excellent window to examine the policy and governance barriers in the larger Myanmar economy, including the banking system, exchange rates and finance, energy and water management, land ownership, infrastructure, trade policies and human development.

There are many lessons we can draw from the region regarding generating wealth and reducing poverty. Many countries in the region generate national prosperity by investing in both their agricultural, industrial, and urban sectors. Most importantly, they invest in their people. They have food policies and promote the welfare of both rural and urban poor, and of farmers and the casual workers of the rural sector. Poverty reduction is fastest when there is growth, when inequality is dropping and there is income security. However, development gains can be lost and poverty increase due to disasters and external shocks. Building resilience to these shocks is critical. For example, because of the food fuel price volatility in this past year, ESCAP's 2011 Economic Survey finds that 42 million people in the region have fallen into poverty and hunger.

Excellencies, distinguished participants, ladies and gentlemen,

The food security of families and the rice market are closely interlinked, especially in Asia. For a majority of the people in Asia, where roughly 60 percent of the world's one billion undernourished people live, rice is the staple food and the world's most important source of calories for the poor.

For Myanmar, this relationship is most pronounced. Myanmar's economic future is inseparable from its rice farmers. There is much work to be done. Smallholder farmers, burdened by poverty and unable to afford the expensive inputs of fertilizer and mechanization, often can barely grow enough rice for their families' consumption, let alone for domestic sale and export.

There are a number of policies and goals that Myanmar can focus on in seeking to improve the relative wealth and assets of rice farmers, reduce rural poverty and build resilience, which I offer to you as a seven point agenda:

1. Improving access to food

Food security depends as much on income and assets as on food availability. Effective efforts to improve rural livelihoods and enhance income security and assets of poor

farmers and other vulnerable groups of Myanmar offer the best means to overall food security.

2. Access to Credit

Extending credit, modern banking practices and services to Myanmar's rural areas will support smallholder farmers to be part of Myanmar's reforming economy.

3. Farmers free to decide

Giving farmers the chance to freely make choices, with the right information and assistance, is a critical step to assist farmers in making a decent return on their hard work and investment. Land ownership and land security gives confidence to farmers to invest their assets and generate wealth. Engaging small farmers on sustainable approaches will spark a new green revolution.

4. Sustainable targeted rice value policies

Research data and studies of rice production in Viet Nam and Thailand – the world's largest rice exporters – demonstrates the importance of building rice value chains strategically, from farmer to market, according to local conditions and capacities, and buyer and consumer preferences.

5. Agricultural technology

To enhance farmers' income and improve the food security of rural communities, efficient machinery for rice farming can reduce post-harvest losses and increase land productivity. Past studies in Cambodia, the Philippines, and Indonesia, have found that losses occur from spoilage, poor storage and reduced milling yields during processing. These losses result in lower quality rice for consumption or sale, smaller returns to the farmer, and higher prices for consumers.

6. Extension systems

Poor rural households can benefit more quickly, by expanding extension systems and services, to increase information to local farmers. Modern professional extension services are essential government initiatives that can directly translate into greater production yields, and increased assets for farmers.

7. Infrastructure and access

Government initiatives for transportation, processing and marketing infrastructure to shorten the supply chain lowers the costs of food for consumers and reduces the barriers to market that burden smallholder farmers. Investments in dry ports and inter-modal transfer points for consolidation, sorting, storage, and processing of crops will build demand for the harvests of rural farmers. For perishable foods, the government can set standards for packaging, handling, storage, and transport of products along the cold chain.

These are some of the guidelines that are before us today in discussing what concrete steps Myanmar can take forward to improve rice policies and in achieving food security.

Excellencies, distinguished participants, ladies and gentlemen,

It is my hope that this forum can help move forward and deepen the dialogue on inclusive and sustainable development for Myanmar, a path forward that will bring with it closer links with Myanmar's neighbors, greater integration with ASEAN, with the region and engagement with the global community, all steps toward creating a more prosperous and peaceful future for its citizens. We have gathered here to begin that journey, and I wish for all of us, success in this endeavor.

Thank you

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