IMOW’s COVID-19 Response

Improving Market Opportunities for Women (IMOW)

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September 2021
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ACKNOWLEDGMENTS

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IMOW is made possible with the generous support of Global Affairs Canada and is implemented by Mennonite Economic Development Associates (MEDA).

Thanks to IMOW's many partners—both key facilitating and private sector partners—and MEDA's generous private supporters.
ACRONYMS

GAP  Good Agriculture Practices
HH   Household
KFP  Key Facilitating Partner (local NGO)
LF   Lead Firm
MSME Micro, Small and Medium Enterprise
PSD  Private Sector Development
RM   Rice Miller
WLF  Women Lead Farmer
WSA  Women Sales Agent
WSP  Women Small Producer
1. Introduction

In 2015, MEDA began implementing the six-year Improving Market Opportunities for Women (IMOW) project focused on the rice and vegetable value chains in Kayin State and the vegetable value chain in Shan State. Project interventions related to sustainable agriculture, financial and market linkages, women’s economic empowerment (WEE), and the environment were implemented in partnership with local Key Facilitating Partners (KFPs) and private sector development (PSD) partners.

IMOW operates in the rice and vegetable sectors, facilitating stronger linkages to markets for women and supporting growth in micro, small, and medium enterprises (MSMEs) by working in partnership with local organizations, communities, and companies that support and champion women and their economic empowerment. The project is funded by Global Affairs Canada (GAC).

2. Country Context: A Sudden Crisis

In Myanmar, the first suspected case of COVID-19 was detected on January 21, 2020 and the first confirmed case was identified on March 23 that same year. The Union Government and local governments took measures seriously. These measures included travel restrictions and lockdowns. The second wave of COVID-19 then began in the middle of August and lasted until the end of December 2020 and the lockdowns continued.

The agricultural sector was severely affected by these restrictions. When restrictions began, it was harvest season for tomatoes, cabbage and other vegetables but farmers could no longer reach higher value markets or population centres, and thus were forced to lower prices and sold less produce. Many farmers allowed charity groups to take their vegetables to donate to families in need or stopped harvesting to save on labour costs and let their produce decay in the fields. Township vegetable traders including the project matching grant partners were also forced to watch vegetables expire in the warehouse because they received very few orders from major buyers due to markets being in lockdown or the increasing expense of transporting the vegetables.

The project’s private sector development (PSD) partners saw a major decline in their ability to do business. Their client farmers had difficulties selling crops due to the PSD partners not being able to travel to the villages to buy them. Some PSD partners bought less than 50% of the quantity they bought in 2019 because of a drop in orders from regular buyers. The PSD partners who sold organic agriculture inputs to client farmers faced transportation challenges and also they faced stock shortage because of importing challenges.
IMOW’s Two-Pronged Response: Personal Protective Equipment and Recovery Grants

The IMOW team assessed the impact of COVID on clients and partners and as a result, MEDA proposed to use approximately $400,000 to respond to the challenges of PSD partners. With the approval of the donor, Global Affairs Canada (GAC), MEDA introduced a set of two interventions:

- Personal protective equipment (PPE)
- Business recovery grants to PSD partners, as well as directly to Women Sales Agents (WSAs),¹ in both Shan and Kayin states

PPE packages were provided to 30 PSD partners as quickly as possible in June 2020. Then, then a rapid impact assessment was conducted, and business recovery grants were provided to 66 Women Sales Agents (WSAs) in July 2020 and to 21 PSD partners between August and December 2020. The grants to PSD partners benefitted 21,891 Women Small Producers (WSPs).

The project engaged with PSD partners of different sizes and with different roles in the selected value chains (e.g. producers, input suppliers, buyers). The PSD partner types are listed in the table below, from smallest to largest.

Summary Table of Partner Types and COVID-19 Business Recovery Grants

<table>
<thead>
<tr>
<th>Intervention</th>
<th># of Partners</th>
<th>Coverage Area</th>
<th>WSP (client) Reach</th>
<th>MEDA Grant (CAD)</th>
<th>Partner Contribution (CAD)</th>
<th>Grant + Partner Contribution (CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WSAs Grants</td>
<td>66</td>
<td>Shan and Kayin</td>
<td>10,578</td>
<td>77,000</td>
<td>154,523</td>
<td>231,523</td>
</tr>
<tr>
<td>Rice Miller Grants</td>
<td>10</td>
<td>Kayin</td>
<td>4,060</td>
<td>94,000</td>
<td>698,539</td>
<td>792,539</td>
</tr>
<tr>
<td>MSME Grants</td>
<td>8</td>
<td>Shan</td>
<td>1,688</td>
<td>147,688</td>
<td>13,750</td>
<td>161,438</td>
</tr>
<tr>
<td>Lead (Larger) Firm</td>
<td>3</td>
<td>Shan and Kayin</td>
<td>849</td>
<td>69,220</td>
<td>76</td>
<td>69,296</td>
</tr>
<tr>
<td>PPE support</td>
<td>30</td>
<td>Shan and Kayin</td>
<td>5,300</td>
<td>2,719</td>
<td>5,830</td>
<td>8,550</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>22,475</td>
<td>390,627</td>
<td>872,718</td>
<td>1,263,346</td>
</tr>
</tbody>
</table>

The PSD partners were not required to contribute a match to the grants. However, in many cases, they chose to. In total across all partners, project funds accounted for only 31% of the funds used to keep businesses afloat during COVID and their own investment accounted for 69%. Rice millers contributed highest percentage at 80% and WSAs as second with 18% out of total partners’ contribution. In terms of WSPs reached, WSAs reached the most; they reached 47% of the total WSPs reached across all partners, followed by rice millers who were responsible for 18% of the reach.

¹ For more information on overall project structure, or Women Sales Agents, please see the other papers in this learning series.
3. Personal Protective Equipment Support

When the project received approval to implement COVID-specific interventions, the team immediately provided Personal Protective Equipment (PPE) to all 24 rice miller partners in Kayin State because they have daily engagement with customers and were therefore most at risk of being exposed to COVID. The project extended PPE support to 6 Micro, Small and Medium Enterprises (MSMEs) out of a total of 9 MSME partners due to budget constraints, but the 6 MSMEs selected, had more day-to-day customer engagement than the other 3. PPE was a one-time intervention that provided one month’s worth of equipment. Rice millers and MSMEs were encouraged to buy more after they ran out to continue to keep their staff safe.

The project management team discussed the most important items to include in the PPE kit. The final breakdown of items in the kit is in the table below: face shields, washable masks and plastic aprons for business owners and their staff/workers. Disposable masks, hand sanitizer and liquid soap were for both staff/workers and customers. Rice millers and MSMEs were encouraged to set up hand washing stations at the entrance of their workplaces. COVID-19 education posters and mask usage posters in the 3 most common local languages, Myanmar, Pwe Kayin, and Skaw Kayin were also included in the PPE kit to be posted in public, visible areas. The health education posters were made available on the website of Ministry of Health and Sport.

Table of Items in One PPE Kit

<table>
<thead>
<tr>
<th>#</th>
<th>Items in PPE Kit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Face Shield</td>
<td>10</td>
<td>Pcs</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Washable Mask</td>
<td>15</td>
<td>Pcs</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Disposable Mask</td>
<td>3</td>
<td>Box</td>
<td>50 Pcs per box</td>
</tr>
<tr>
<td>4</td>
<td>Hand sanitizer</td>
<td>2</td>
<td>Bottle</td>
<td>500 ml per bottle</td>
</tr>
<tr>
<td>5</td>
<td>Plastic Apron</td>
<td>10</td>
<td>Pcs</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Liquid soap</td>
<td>4</td>
<td>Bottle</td>
<td>500 ml per bottle</td>
</tr>
<tr>
<td>7</td>
<td>COVID-19 Vinyl Poster (4” x 6””)</td>
<td>3</td>
<td>Pcs</td>
<td>Myanmar, Pwe, Skaw</td>
</tr>
<tr>
<td>8</td>
<td>Mask usage Vinyl Poster (4” x 6””)</td>
<td>3</td>
<td>Pcs</td>
<td>Myanmar, Pwe, Skaw</td>
</tr>
</tbody>
</table>

The project used CAD$2,720 to buy the PPE and supported 24 rice millers and 6 MSMEs. The PPE directly benefitted 7,266 people including 146 labour/staff, 5,300 women customers and 1,820 men customers. In addition to the project support, some project partners (rice millers and MSMEs) used their own money to contribute to COVID-19 protections in their areas by setting up hand-washing stations in the community, distributing face masks, and donating food and cash to the quarantine centers. The total investment by these partners on PPE was CAD$8,550.
The project team started the procurement process immediately after receiving approval from HQ and delivered the PPE kits to rice millers and MSMEs within a month. The team made decisions regarding the contents of the PPE kit on June 4th 2020 and by June 30th they were being delivered to partners.

### Types of Partners

<table>
<thead>
<tr>
<th>Types of Partners</th>
<th>MEDA Expenses (MMK)</th>
<th>Partner Expenses (MMK)</th>
<th># of Labour/Staff</th>
<th># of Woman Customer</th>
<th># of Man Customer</th>
<th>Total Clients Reached</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 MSMEs</td>
<td>500,700</td>
<td>7,465,000</td>
<td>99</td>
<td>1,330</td>
<td>450</td>
<td>1,879</td>
</tr>
<tr>
<td>24 Rice millers</td>
<td>2,218,800</td>
<td>1,085,000</td>
<td>47</td>
<td>3,970</td>
<td>1,370</td>
<td>5,387</td>
</tr>
<tr>
<td>Grand Total</td>
<td>2,719,500</td>
<td>8,550,000</td>
<td>146</td>
<td>5,300</td>
<td>1,820</td>
<td>7,266</td>
</tr>
</tbody>
</table>

4. COVID-19 Recovery Grants for Women Sales Agents

As of June 2020, there were 199 trained Women Sales Agents (WSAs) in both Southern Shan and Kayin states but only 140 were actively working and some were still in the initial stages of establishing their businesses. All active WSAs were invited to submit proposals for the COVID grants, and Key Facilitating Partners (KFPs) who were all local NGOs, facilitated the preparation of the proposals. 70 total proposals were received, and selection was made by a team which included the IMOW Country Director, Senior Program Manager (SPM), Finance Coordinator, Senior M&E Specialist and Program Partnership Coordinator (PPC). Selection criteria were as follows:

- Active participation in the project
- Record keeping and budgeting ability
- Reporting ability
- Related business experience
- Related assets and resources
- In line with selected value chain crops
- Use of Good Agricultural Practices (GAP)
- Project client coverage
- Acceptable plan for use of funds

The call for proposals was released on June 10th 2020 and the funds were disbursed by July 28th. A year later, an impact assessment was undertaken with select grantees.

<table>
<thead>
<tr>
<th>#</th>
<th>Township</th>
<th>Area</th>
<th>WSA</th>
<th>Target WSPs</th>
<th>Reached WSPs</th>
<th>Grant (CAD)</th>
<th>Grant + Partner Contribution (CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hlaingbwe</td>
<td>Kayin</td>
<td>3</td>
<td>437</td>
<td>667</td>
<td>5,400</td>
<td>24,151</td>
</tr>
<tr>
<td>2</td>
<td>Hpa-an</td>
<td>Kayin</td>
<td>6</td>
<td>1,011</td>
<td>1,220</td>
<td>10,100</td>
<td>51,676</td>
</tr>
<tr>
<td>3</td>
<td>Kawkareik</td>
<td>Kayin</td>
<td>10</td>
<td>1,040</td>
<td>1,329</td>
<td>12,400</td>
<td>40,287</td>
</tr>
<tr>
<td>4</td>
<td>Hopone</td>
<td>Shan</td>
<td>2</td>
<td>223</td>
<td>240</td>
<td>3,000</td>
<td>8,033</td>
</tr>
<tr>
<td>5</td>
<td>Taunggyi</td>
<td>Shan</td>
<td>8</td>
<td>855</td>
<td>974</td>
<td>8,800</td>
<td>28,998</td>
</tr>
<tr>
<td>6</td>
<td>Nyaung Shwe</td>
<td>Shan</td>
<td>19</td>
<td>1,779</td>
<td>2,081</td>
<td>17,500</td>
<td>39,447</td>
</tr>
<tr>
<td>7</td>
<td>Pinlaung</td>
<td>Shan</td>
<td>13</td>
<td>2,766</td>
<td>3,359</td>
<td>12,000</td>
<td>21,224</td>
</tr>
<tr>
<td>8</td>
<td>Hsiseng</td>
<td>Shan</td>
<td>5</td>
<td>634</td>
<td>708</td>
<td>7,800</td>
<td>17,702</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>66</td>
<td>8,745</td>
<td>10,578</td>
<td>77,000</td>
<td>231,523</td>
</tr>
</tbody>
</table>

66 WSAs (47 from Shan and 19 from Kayin) were selected as grant recipients and each received between CAD$500-2,000 (a total of CAD CAD$77,000 was disbursed) depending on their business size and WSPs reach. The grant activities were implemented by WSAs from July to December 2020 (6 months) and the project staff monitored the progress monthly by receiving reports and mobile phone calls. At the end of the contract, the total amount used for business recovery was CAD$231,523.20. The partners’ contributions totaled CAD$154,523.20 which was 66.7% of total funds spent.
WSAs from Shan used the grant for agriculture input sales, vegetable trading and agriculture loans. WSAs from Kayin used the grant for agriculture input sales and rice trading. WSAs bought the fertilizers and pesticides from agricultural input suppliers including two matching grant partners, Shan Maw Myae and Harmony (see later sections for further details on specific partners). Some WSAs made natural fertilizer and pesticides at home and sold them in addition to the agricultural inputs from suppliers. A few WSAs sold high-quality rice seeds that they produced themselves, or registered seeds that they procured from the Department of Agriculture. The grant benefited 10,578 WSPs/end clients in 391 villages through 66 WSAs that received grants. In aggregate, they reached 21% more WSPs than they targeted.

Impact of Grants to Women Sales Agents

The project conducted an impact assessment through mobile phone interviews in June 2021 with a sample of WSAs from Kayin State (10 respondents) and Shan State (16 respondents). In Kayin State, 10 WSAs from 3 townships were interviewed (5 WSAs selling agriculture inputs, 2 WSAs trading both milled and raw rice, and 3 WSAs doing both agriculture inputs sale and rice trading). All 10 WSAs reported that their profits increased by between 60% and 90% (almost back to pre-pandemic levels) because of the COVID grant. WSAs who sold agricultural inputs reported that they invested in more varieties of inputs and larger stocks to meet the demand of WSPs. They had increased their customer base because some were able to sell the agricultural inputs on credit: either to be paid back after a month, or in some cases after the rice harvest. In both cases, no interest was charged.

The key factors that improved WSPs businesses amid COVID were a) timely stock availability, b) reasonable prices for inputs, c) availability to buy on credit, d) WSAs explained the instructions about the products and provided field visits to help as necessary, and e) some WSAs sold the products by delivering directly to the homes of WSPs, which made them more accessible.

Out of 10 WSAs, 4 WSAs said that their business had decreased, 4 WSAs’ businesses remained the same, and 2 WSAs’ businesses were improving. Most WSAs who sold agricultural inputs kept selling only the stock they had left over, and reported that they would stop or reduce the investment this year because 1) the supplier prices had become at least twice as high, 2) there were fewer customers or lower demand, 3) higher transportation charges, and 4) restrictions to travel. Two WSAs who made natural agricultural inputs at home said that, this year, they will invest more in their businesses and sell the inputs to customers locally. Only 2 WSAs who do rice trading said that the milled rice was higher in demand and the business was better, but they could not sell the raw, un-milled rice and stored it hoping to sell them at a higher price in the future.

“I was a tomato farmer before and had 4 acres of land before becoming a WSA. My investment was increased from 2,500,000 MMK to 10,000,000 MMK and profit also was increased from 150,000 MMK to 600,000 MMK. I provided agri-loans to 60 farmers in addition to selling agri inputs. I bought a plot of 0.5 acres and upgraded our bamboo house to a wooden house with profit to spare.” — WSA from Nyaung Shwe
In Shan state, 16 WSAs from 5 townships were interviewed. 6 WSAs were agriculture input sellers, 7 WSAs were vegetable traders and 3 WSAs did both businesses. All 16 WSAs said that their businesses were improving as a result of the grant. WSAs who sell agricultural inputs saw an increase in profit because they were able to buy from suppliers using a down payment in cash using the COVID grant, and they were able to do business with more farmers as a result. Similarly, WSAs who did vegetable trading also increased their profits because they were able to buy a larger volume of vegetables as a result of receiving the COVID grant. On average, the WSAs’ incomes increased 3.5 times and their investment in their business was increased about 7 times compared to before receiving the grant. Out of 16 WSAs, 4 WSAs bought land, 3 WSAs built new warehouses (that cost between CAD$1,000 – CAD$2,000), 1 WSA bought a shop to sell agriculture inputs that was worth CAD$1,500, 2 WSAs bought motorcycles that cost CAD$1,800 and CAD$2,200 each, and 1 WSA upgraded her house from bamboo to wood.

Impact of the Coup on Women Sales Agents

All 16 WSAs said that their businesses were affected after February 2021 when, in the midst of a pandemic, Myanmar was subjected to a military coup. After the coup, their incomes decreased on average by about 50%. WSAs who sold agriculture inputs on credit said that they had not yet received payment even though the deadline for payment had passed. Most farmers could not sell their harvests because most crop traders stopped buying or were only offering very low prices. The lack of sales led to a lack of revenue for WSAs who, in some cases, were unable to replenish their stocks.

I sold agricultural inputs to 80 farmers on credit but most of them have not paid it back yet. They could not sell their crops because most crop traders stopped buying. I have low profits from selling agricultural inputs after the military coup because the price has increased, and farmers are forced to use less. A bag of fertilizer was 25,000 MMK before, but it is 50,000 MMK now.” — WSA from Taunggyi

Meanwhile, the price of agricultural inputs was increasing, and farmers could not afford to buy enough. Farmers were navigating the situation by reducing the size of their plots, or some stopped growing crops that needed more fertilizer and pesticides (e.g. tomato, garlic, cabbage, potatoes, corn) and instead began to grow the crops that needed less fertilizer and pesticides (e.g. ginger, chili, turmeric). The WSAs were continuing to sell the inputs but they could no longer sell on credit, and so some customers were unable to buy and overall, they earned less profit. WSAs who bought crops also earned less because produce prices were falling. WSAs were forced to stop buying certain produce including green vegetables and tomatoes. They continued buying ginger and garlic from farmers but stored them in hopes of a higher price later, hoping the market might recover.
The WSAs from Shan and Kayin States were asked about their “business situations” before the military coup in February 2021, and again after the coup. “Business situation” in this instance is defined by a group of indicators and represents an overall snapshot of an owner’s perception of the health of his or her business. It includes considerations such as sales, revenue, growth and staff hiring/retention. The graphs above show the responses of 16 WSAs in Shan State and 10 WSAs in Kayin State. Respondents were asked to rank their business situations on a scale from 1 to 3: 1) business had decreased, 2) business was unchanged, and 3) business had improved. It is clear from these charts that there was a sharp drop in business performance for the vast majority of respondents after the onset of the coup.
5. COVID-19 Recovery Grants for MSMEs

IMOW had a total of 9 MSME partners in Shan State. The project team decided to invite the 8 MSMEs who had successfully executed their project activities to that point to submit proposals for COVID recovery grants. Grant proposals were received from all 8 invited MSMEs and selection was made by a team which included the IMOW Country Director, Senior Program Manager (SPM), Finance Coordinator, Senior M&E Specialist and Program Partnership Coordinator. The selection criteria used are listed below:

- Existing businesses that provided measurable benefit for women small producers
- Currently engaging with clients of the project
- Proposed business that aligned with selected value chain
- The grant proposal would be used to reach clients of the project
- Cost efficiency
- Grant implementation would benefit the partner
- Reasonable plan and budget
- Proper management capacity

The call for proposals was released in June of 2020, agreements were signed in July and the grant-related activities finished in January 2021. An impact assessment was conducted in June 2021.

All 8 MSMEs from Shan State were selected to receive COVID-19 grants which totaled CAD$147,688 (see table below). The grants benefited 1,688 WSPs in Southern Shan State. The grant recipients used 100% of the grant funds and achieved 100% of the targeted reach to WSPs.

### Summary Table of COVID-19 Grants for MSMEs

<table>
<thead>
<tr>
<th>#</th>
<th>MSMEs</th>
<th>Target WSPs</th>
<th>Reached WSP</th>
<th>Grant (CAD)</th>
<th>Grant + Partner Contribution (CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Golden Ground Organic Agro-Eco Development Association</td>
<td>70</td>
<td>70</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td>(2nd round grant)</td>
<td>55</td>
<td>55</td>
<td>24,750</td>
<td>38,500</td>
</tr>
<tr>
<td>2</td>
<td>Htun Tauk ABN Co., Ltd.</td>
<td>70</td>
<td>72</td>
<td>11,500</td>
<td>11,500</td>
</tr>
<tr>
<td>3</td>
<td>Kalaw Mushroom Production</td>
<td>50</td>
<td>57</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>4</td>
<td>Ma Moe Seeds</td>
<td>100</td>
<td>120</td>
<td>2,385</td>
<td>2,385</td>
</tr>
<tr>
<td>5</td>
<td>Myat Pan Thakhin Agri Business Group</td>
<td>100</td>
<td>85</td>
<td>20,140</td>
<td>20,140</td>
</tr>
<tr>
<td>6</td>
<td>Sein Hla Nanda Co., Ltd.</td>
<td>450</td>
<td>450</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td></td>
<td>(2nd round grant)</td>
<td>500</td>
<td>529</td>
<td>37,513</td>
<td>37,513</td>
</tr>
</tbody>
</table>

Two MSMEs were provided a 2nd recovery grant for the period of April-July 2021 because they offered compost fertilizers, which were cheaper and more accessible to WSPs.
### MSMEs Target WSPs Reached WSP Grant (CAD) Grant + Partner Contribution (CAD)

<table>
<thead>
<tr>
<th>#</th>
<th>MSMEs</th>
<th>Target WSPs</th>
<th>Reached WSP</th>
<th>Grant (CAD)</th>
<th>Grant + Partner Contribution (CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Sin Kyel Co., Ltd.</td>
<td>134</td>
<td>125</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>8</td>
<td>Swan Mahar</td>
<td>125</td>
<td>125</td>
<td>8,400</td>
<td>8,400</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td><strong>1,654</strong></td>
<td><strong>1,688</strong></td>
<td><strong>147,688</strong></td>
<td><strong>161,438</strong></td>
</tr>
</tbody>
</table>

The results of the recovery grant are outlined in the partner profiles below. Many of the partners achieved positive outcomes with their grants, though many lost any momentum they had built on February 1st 2021 when the coup began.

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**Golden Ground Organic Agro-Eco Development Association**

**Core business:** Promotes organic farming by establishing demo farms, providing market linkages for organic farmers and providing inputs on interest-free credit. They are also a producer of compost fertilizer.

**COVID grant results:** Provided seeds and fertilizer to 70 WSPs on credit, interest-free. They also helped select WSPs to build greenhouses to grow higher value crops including cherry tomatoes.

**Impact of the coup:** Market demand decreased by 85% and only 2 out of 13 buyers continued purchasing the organic vegetables from them. Therefore, they had to reduce purchasing organic vegetables also. For the 2021 crop season, they continued contracting only 55 WSPs though in 2020 they contracted 150. The demand for compost fertilizer decreased by 50% and they therefore had to reduce production as well.

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**Htun Tauk ABN Co., Ltd.**

**Core business:** Provides GAP garlic production techniques and market linkages to WSPs through women’s groups. They also provide post-harvesting services including sorting and grading as well as act as a garlic buyer.

**COVID grant results:** Provided GAP garlic seeds as in-kind agriculture loan without interest. They also paid a premium for the GAP garlic when it was harvested. Htun Tauk has been buying the GAP garlic at a higher price since 2019 to promote GAP practice among garlic farmers, but was able to maintain high prices because of the grant.

**Impact of the coup:** Market demand decreased by about 30% and they were forced to reduce the amount of garlic they purchased from farmers.
Kalaw Mushroom Production

Core business: Provides cost-effective mushroom production technology to WSPs (oyster mushroom and wood ear mushroom), mass production of required mushroom seeds at its own lab to supply WSPs at a very low cost and provide interest-free agri-loans. They are the pioneer of button mushroom production in Myanmar; a product with high market potential.

COVID grant results: Provided production technology as an in-kind, interest-free loan to 57 WSPs. They managed to recover the production and sales by identifying new buyers from Yangon, Taunggyi and Kalaw. They successfully tested producing straw mushroom year-round and Shitake mushroom growing (higher quality mushrooms) during the grant period, and then shared that knowledge with mushroom farmers.

Impact of the coup: Unfortunately, market demand declined by about 80% and the price of raw materials for mushroom growing increased after the coup, largely due to transportation challenges.

Ma Moe Seeds Production and Sales

Core business: A small-scale farming business that produced and sold marketable local vegetable seed varieties.

COVID grant results: Provided seeds and seedlings to WSPs free of cost. Without the free supply the selected WSPs would not have been able to produce the seeds and seedlings because of the financial challenges they faced as a result of COVID. These seeds and seedlings were sold in the local markets. Ma Moe Seeds managed to sustain their business by selling the harvested produce door-to-door because local markets did not allow them to sell during lockdowns.

Impact of the coup: Product sales decreased by about 80% largely because of the increased travel restrictions.

Myat Pan Thakhin Agri Business Group

Core business: Provides extension services to farmers including advances of agriculture inputs, advance payments, free storage services, and support to implement demo farms.

COVID grant results: Provided seeds and fertilizer as an interest-free loan to WSPs. Without the inputs and payments, WSPs would have been forced to reduce the acreage of their farms. Many vegetable traders including Myat Pan Thakhin had cash flow challenges due to COVID and could not provide as many of these loans or payments as they had provided in the past, but they used the COVID grant to continue to provide the service.
Impact of the coup: Myat Pan Thakhin saw a significant drop in demand after the coup, which meant they were unable to buy as much from WSPs as they had in the past. Further, they had to lay off some staff and labourers due to a shortage of cash.

Sein Hla Nandar Co., Ltd.

Core business: Produces low-cost compost fertilizers by using natural raw materials including weeds, hyacinth and lake sediment. They work with women sales agents to buy raw materials from vendors and to sell their product, compost fertilizer, to farmers.

COVID grant results: Sold compost fertilizer to WSPs through WSAs with a 50% discount. The incentive plan (50% from MEDA and 50% from WSPs) benefited both WSPs and the company. WSPs chose to use natural fertilizers at a much lower cost than the chemical fertilizers they used before COVID. The company reported that new users appreciated the effectiveness of the compost fertilizer, and that they intended to continue to use them.

Impact of the coup: Unfortunately, sales decreased by 50% after the coup because of transportation challenges and cash shortages.

Sin Kyel Co., Ltd.

Core business: Provides harvesting services and free storage services to corn farmers including WSPs. They also provide advance payments and agriculture inputs with low interest rates to farmers.

COVID grant results: Provided corn seeds and fertilizer as in-kind interest-free loans. The grant helped maintain their relationships with WSPs as well as increase the supply of corn for the coming season.

Impact of the coup: Unlike other MSMEs, the military coup did not affect Sin Kyel and they continued to provide fertilizer as in-kind support to farmers for the 2021 corn growing season because they purchased the fertilizer at market price several months prior. The coup began during the off season for corn farmers, so the impact may not be seen until the 2022 growing season.

Swan Hahar, Production and Distribution of Medicinal Yacon

Core business: Provided quality and sustainable farming techniques (organic farming) to Yacon farmers, bought the Yacon from WSPs, produced Yacon products and supplied local markets.

COVID grant results: Provided advance payments to WSPs for the expenses of growing Yacon. Advance payments and extension services are required for producing yacon products of high enough quality to meet market demand. But without the COVID grant Swan Hahar could only afford to buy 50% of the yacon grown, because they had limited retail outlets in which to sell. Yacon is mainly sold in the shops at tourist sites, but they were still closed due to COVID-related lockdowns.
**Impact of the coup:** Sales decreased by 80% and it forced a further reduction in purchasing yacon from farmers. Swan Harhar laid off 5 out of 6 employees and used only daily labour when required. They are only selling 20% of what they sold in previous years.

The COVID grant closing assessment was conducted in June 2021 with all 8 grant recipient MSMEs. Out of 8 MSMEs, 6 MSMEs responded that they were able to sustain their businesses through the challenges posed by COVID in 2020, but 2 MSMEs said that their businesses had improved after receiving the grant. The following graph shows the comparison of their business situations\(^3\) before the military coup in February 2021 and after the coup. Much like in the case of WSAs (see earlier section), the health of the MSMEs was in decline after the coup for all but one respondent.

![Business Situation of MSMEs](image)

6. COVID-19 Recovery Grants for Lead Firms

There were 10 Lead Firms (LFs) amongst the IMOW PSD partners. The project team decided to invite 3 high-performing LFs to submit proposals for the recovery grant. Grant proposals were received from all 3 invited LFs and selection was made by a team composed of the same staff as for the grants to MSMEs; the selection criteria were also the same.

The timeline for the LF grants was about one month later than that of the MSMEs: the call for proposals was released in July of 2020, agreements were signed in August and the grant-related activities finished in January 2021. An impact assessment was conducted in June 2021 and included both MSMEs and LFs.

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\(^3\) “Business situation” in this instance is defined by a group of indicators and represents an overall snapshot of an owner’s perception of the health of his or her business. It includes considerations such as sales, revenue, growth and staff hiring/retention.
The 3 LFs were granted a combined CAD$69,220. The grant benefited for 849 WSPs, only 47% of the 1,813 WSPs targeted. The LF, Harmony, set the highest target 1,500 but only reached 547 WSPs (36.5% of the target). Grant recipients cited COVID-related lockdowns as the main reason for failing to achieve their targets.

Summary Table of COVID-19 Grants for LFs

<table>
<thead>
<tr>
<th>#</th>
<th>Lead Firms</th>
<th>Target WSPs</th>
<th>Reached WSP</th>
<th>Grant (CAD)</th>
<th>Grant + Partner Contribution (CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shan Maw Myae Trading Co., Ltd.</td>
<td>200</td>
<td>189</td>
<td>19,920.00</td>
<td>19,996.00</td>
</tr>
<tr>
<td>2</td>
<td>Harmony Myanmar Agro Group Co., Ltd.</td>
<td>1,500</td>
<td>547</td>
<td>26,700.00</td>
<td>26,700.00</td>
</tr>
<tr>
<td>3</td>
<td>Future Glory Co., Ltd.</td>
<td>113</td>
<td>113</td>
<td>22,600.00</td>
<td>22,600.00</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td>1,813</td>
<td>849</td>
<td>69,220.00</td>
<td>69,296.00</td>
</tr>
</tbody>
</table>

What follows in this section are profiles of the LFs that received COVID grants through IMOW, which activities they undertook with the funds and how they were later impacted by the coup.

Shan Maw Myae Trading Co., Ltd.

Core business: Produced and distributed organic and Bio-agriculture inputs, engaged in contract farming and trading farm products, and produced and distributed gluten-free flour and bean flour. Through the initial partnership with IMOW they were able to set up one rice flour factory in Kayin, sell organic and Bio-agriculture inputs to farmers through project trained women sales agents (WSAs), and engaged in contract farming with farmers for vegetables and pearl barley.

COVID grant results: Provided interest-free credit sales to WSPs and provided a longer payback period. Through these interventions, the company was able to maintain their sales rate. They sold the products at a 20% discount if the WSPs paid cash on delivery and if not, the products were sold with 4 months credit without interest. They reported that they could have only sold to about 50% of the WSPs had they not received the grant.

Impact of the coup: Unfortunately, sales decreased after the military coup because of cash flow and transportation challenges.

Harmony Myanmar Agro Group Co., Ltd.

Core business: Imported natural agricultural inputs from the Netherlands and supplied them to farmers in Myanmar. The company had been working with 91 sale agents (65% of which were women) in Shan and Kayin states and Harmony’s products are certified with ISO and the EU.
COVID grant results: Supplied products to WSPs door-to-door free of charge and also sold these high-quality products at a discount in 6 townships so that lower-income farmers were able to gain access. They sold the products on credit for between 60 and 90 days with zero interest. Moreover, they sold the products at the same price as before COVID despite the rising costs of operations and transportation. Impact of the coup: They had to stop selling products in Kayin State completely because of the security risks and transportation challenges. They were able, however, to continue some sales in Shan state.

Future Glory Co., Ltd.

Core business: Engaged in contract farming and trading high-quality vegetables to local high-end markets and foreign countries. They also processed value-added agriculture products and supplies to supermarkets in Yangon.

COVID grant results: Provided advance payments and agricultural inputs to WSPs. They were able to maintain the supply rate of quality vegetables and value-added products to the markets because they were able to maintain their relationships with the WSPs thanks to the COVID grant.

Impact of the coup: They were forced to stop any production of value-added vegetable products and crop purchasing from WSPs in Kayin State due to security and transportation risks.

7. COVID-19 Recovery Grants for Rice Millers

There are 24 rice millers in Kayin State who were matching grant partners of the project. The project team decided to invite 10 rice millers to submit proposals for the COVID grant. These were partners who provided milling services after the new rice mill installation and had already undertaken a successful test run. The other 14 rice millers were still in the test-run stage or still in the midst of having the new mill installed because of the consequences of COVID related lockdowns and importing challenges. Grant proposals were received from all 10 invited rice mills and selection was made by a team composed of the same staff as for the grants to MSMEs and LFs; the selection criteria were also the same.

The timeline for the COVID grants to rice mills was about 6 months later than that of the MSMEs and LFs: the call for proposals was released in November of 2020, agreements were signed in December and the grant-related activities finished in June 2021. They were also included in the impact assessment conducted in June 2021 for COVID grant recipients.

10 rice millers from Kayin State were selected to submit proposals for the COVID-19 grants. The total amount disbursed to rice millers was CAD$94,000 to be used for the purpose of business recovery. At the end of grant contract in June 2021, total amount spent on business recovery was CAD $92,539.55 (the grant portion was 12% and the partners’ contribution was 88%), and the grant benefited 4,060 WSPs which was 70% more than the original target. Further, it is important
to note that the grant did not stipulate a match from the recipients, so any contribution from the rice millers was a voluntary investment. The same was true of the MSME and LF grant recipients.

Out of the 10 rice millers, 8 reached more than their targeted number of WSPs. The two other rice millers had only reached 56% and 64% of their targets by the end of the contract. One rice miller did not meet the target because the rice mill was broken for two months during the granting period. The mechanic could not come because of COVID-related lockdowns in the area. The other rice miller did not meet her target for similar reasons: her village imposed voluntary lockdowns for several months and she lost customers from nearby villages.

**Summary Table of COVID-19 Grant for Rice Millers**

<table>
<thead>
<tr>
<th>#</th>
<th>Rice Miller</th>
<th>Township</th>
<th>Target WSPs</th>
<th>Reached WSP</th>
<th>Grant (CAD)</th>
<th>Grant + Partner Contribution (CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Daw Khin Htay Lwin, Saw Tun Tawk</td>
<td>Kawkareik</td>
<td>240</td>
<td>362</td>
<td>10,000</td>
<td>52,881</td>
</tr>
<tr>
<td>2</td>
<td>Nan Khin Sein, U Aung Myint Lwin</td>
<td>Kawkareik</td>
<td>180</td>
<td>116</td>
<td>6,000</td>
<td>14,753</td>
</tr>
<tr>
<td>3</td>
<td>Daw Mu Htoo</td>
<td>Hlaingbwe</td>
<td>165</td>
<td>267</td>
<td>10,000</td>
<td>120,347</td>
</tr>
<tr>
<td>4</td>
<td>Daw Nan San San Thwin</td>
<td>Hlaingbwe</td>
<td>300</td>
<td>471</td>
<td>6,000</td>
<td>35,255</td>
</tr>
<tr>
<td>5</td>
<td>Daw Nan Mel Than Aye</td>
<td>Hlaingbwe</td>
<td>80</td>
<td>210</td>
<td>6,000</td>
<td>17,787</td>
</tr>
<tr>
<td>6</td>
<td>Daw Khin San Tint, Saw Shwe Hla Yi</td>
<td>Hpa-an</td>
<td>350</td>
<td>371</td>
<td>15,000</td>
<td>176,672</td>
</tr>
<tr>
<td>7</td>
<td>Naw Myint Myint Aye</td>
<td>Hpa-an</td>
<td>523</td>
<td>1,756</td>
<td>15,000</td>
<td>131,967</td>
</tr>
<tr>
<td>8</td>
<td>Saw Hla Shwe</td>
<td>Hpa-an</td>
<td>185</td>
<td>204</td>
<td>10,000</td>
<td>110,945</td>
</tr>
<tr>
<td>9</td>
<td>U Saw Joseph Shwe</td>
<td>Hpa-an</td>
<td>145</td>
<td>82</td>
<td>6,000</td>
<td>53,287</td>
</tr>
<tr>
<td>10</td>
<td>Saw Tun Win</td>
<td>Hpa-an</td>
<td>217</td>
<td>221</td>
<td>10,000</td>
<td>78,642</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>2,385</strong></td>
<td><strong>4,060</strong></td>
<td><strong>94,000</strong></td>
<td><strong>792,539</strong></td>
</tr>
</tbody>
</table>

As a result of the COVID grant, the rice millers were able to reach WSPs with the following interventions:

- All rice millers used the grant to do rice trading that helped the 1,560 WSPs (20% more than the target) to sell 118,232 baskets\(^4\) of raw rice (171% more than the target) at market price when many traders had already stopped trading because of the challenges of COVID.

- In addition to trading the raw rice, 6 rice millers provided free transportation to 2,356 WSPs from their villages to the rice mill (142% more than the target).

- Two rice millers provided agricultural loans to 34 WSPs (15% less than the target) with no interest.

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\(^4\) Basket is Myanmar measurement of mass. 1 basket of raw rice = 20.86 Kg and 1 basket of milled rice = 34.01 Kg.
• One rice miller provided free storage to 59 WSPs (18% more than the target).
• One rice miller provided agricultural inputs on credit, interest-free, to 14 WSPs (17% more than the target).
• One rice miller provided 30 baskets of quality seeds to 14 WSPs (17% more than the target).

“I have been providing free transportation service to about 80% of customers because I bought a truck. I did not provide this service before. I have more customers now and my business is improving.” — Rice miller from Kyar Inn village, Hlaingbwe township

The COVID grant closing impact assessment was conducted in June 2021 with all 10 grant-recipient rice millers; 5 were from Hpa-an township, 3 from Hlaingbwe township and 2 from Kawkareik township. All 10 rice millers said their business was improving after receiving the grant. Some said that they bought 1-3 times more raw rice, they provided milling service to twice the number of customers, they sold 100% more milled rice, and they got more rice buyers from towns because of the increased investment and better rice quality. Most rice millers said they provided free transportation to 30% to 80% of their customers because of the grant and it helped them to increase their number of milling customers overall. Some of them had never provided this service before and some of them provided it to only 10% to 30% of their customers. One rice miller bought a vehicle to provide free transportation to more customers and was able to travel further to buy the raw rice. One rice miller built a warehouse next to the rice mill and provided storage space to 70% of the milling customers, whereas he could only provide that service to 30% of the customers before. One rice miller was able to provide quality rice seeds to 90% of her customers (compared to only 40% before). Two rice millers increased their abilities to provide agricultural loans to their customers by 20% and 25% respectively.
Impact of the Coup on Rice Millers

The rice millers were asked their business situations before military coup, in February 2020, and after the coup. This graph shows the responses of the 10 rice millers. It is apparent, that like all other grantees, these respondents perceived that their businesses were in decline after the coup.

There are many new security checkpoints after the military coup, and it causes challenging travel because we have no licenses for our vehicles. Moreover, it is not safe to go out with a lot of cash and I stopped going out to buy raw rice. I could not sell milled rice because buyers from towns do not dare to come, and I also could not risk sending it to them. Currently, I only have customers from my village and a nearby village who come for my milling service.” — Rice miller from Kannar village, Hlaingbwe township

The coup affected the rice millers adversely. Rice millers said their businesses had decreased between 20% and 50% since the coup started. They continued to have customers, but only from their own village or nearby villages. There is no safe way to travel because of new checkpoints set up by military or ethnic armed groups along the roads. The uncertainties and risks involved in transferring and transporting money also posed challenges for rice millers. Only one rice miller said that she still has steady business because she is able to sell milled rice to one big buyer who can manage to pass through the security checkpoints. Most rice millers have rice waiting to be milled in their warehouse, and they are expecting the business will recover if the security situation improves in the next 6 months.
8. Key Learnings

- **Small and micro businesses that received COVID recovery grants were likely to contribute a match:** While grant recipients were not required to invest their own funds, many did. While MSMEs and LFs did not contribute a match to the grant funds, women sales agents and rice millers contributed a significant amount. The total business expenditure on COVID recovery activities for rice mills and WSAs broke down as follows:
  - Rice millers: the grant accounted for 12% and the partners contributed 88%
  - Women Sales Agents: the grant accounted for 33% and the partners contributed 67%

While not explored in detail in the impact assessment, the likely explanation for these voluntary contributions was that they were seeing an increase in demand from customers as well as an influx of capital and thus they invested in their businesses to keep up. Further, because their businesses were small, they were less affected by COVID than the other larger partners.

- **The grants supported businesses to survive one round of serious challenges, but not a second:** The majority of grant recipients reported that the recovery grant helped them sustain, or even grow, their businesses despite the challenges posed by COVID. These challenges were primarily related to lockdowns, difficulties traveling, and farmers and sales agents needing credit to continue purchasing inputs.

From July 2020 to February 2021 (when the coup began), the grants were a successful, if temporary, intervention because they kept business relationships and market linkages intact. They ensured that a) women sales agents (WSAs) could continue to buy and trade, that b) women small producers (WSPs) could continue to buy from the WSAs and continue to farm, and c) that MSMEs and lead firms could stay in business producing inputs and/or buying crops. But without a return to normalcy in a reasonable (~6 months) timeframe, i.e. mobility for the populations and the ability to travel beyond their villages to reach higher-value markets, one grant did not lead to continued business growth. Further, the government had implemented a series of supports for businesses through the first and second waves of COVID. When the coup began on February 1, 2021, mobility (especially when transporting cash) became risky because of military checkpoints, access to cash became difficult due to military control of the central bank, and communications were often disrupted (internet blackouts). At the same time, government supports disappeared. Thus, IMOWs private sector partners began to see the erosion of the growth and success they had achieved, not only over the year before, but in the past decade.

- **Having a flexible approach to program design and management, along with a responsive donor was critical to adapting activities:** The IMOW project began in 2015 and COVID recovery grants were therefore not a part of the original design. However, the project, like most of MEDA's projects, seeks to work through local partners. In the case of IMOW, these partners were both local NGOs and private sector businesses. When COVID lockdowns began,
each set of partners faced different challenges. The IMOW project was already well-acquainted with many businesses who had been engaged as partners and been granted project funds to undertake activities to benefit women small producers. The result of these existing partnerships was that IMOW was uniquely positioned to release emergency funds to try to prevent businesses from losing customers and revenue.

After a rapid assessment of the early impact of COVID on partners, the team saw an opportunity to distribute recovery grants. When they formally approached Global Affairs Canada (the project donor), the decision was swift and the grants began being disbursed in July 2020. The results of the grants were largely successful, though the coup that followed in 2021 posed new challenges for businesses.
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