Project Data Sheet

Project 53240-001

Project Name: GMS Cross-Border Livestock Health and Value Chains Improvement Project

Project Number: 53240-001

Country / Economy: Myanmar

Project Status: Proposed

Project Type / Modality of Assistance:

<table>
<thead>
<tr>
<th>Source of Funding / Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant: GMS Cross-Border Livestock Health and Value Chains Improvement Project</td>
<td>US$ 12.00 million</td>
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<tr>
<td>Loan: GMS Cross-Border Livestock Health and Value Chains Improvement Project</td>
<td>US$ 60.00 million</td>
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</table>

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

Drivers of Change:
- Gender Equity and Mainstreaming
- Knowledge solutions
- Partnerships
- Private sector development

Sector / Subsector: Agriculture, natural resources and rural development / Livestock

Gender: Effective gender mainstreaming

Description:
The project will reduce trans-boundary animal diseases (TAD), food safety and zoonotic disease risks and strengthen livestock value chains and COVID-19 responses through investments in infrastructure, capacity building and policy support. The project will have the following outcome: health, value chains, and formal trade of livestock and livestock products improved. The project will be aligned with the following impact: GMS vision as a leading supplier of safe and environmentally friendly agriculture products realized.

Output 1: Livestock health and value chain infrastructure expanded and upgraded in a climate-friendly manner. The output will establish DCZs comprising feedlots, quarantine facilities, laboratories, and health inspection and vaccination facilities in priority border areas. It will address critical infrastructure gaps in livestock health systems and value chains by developing (i) breeding and waste management facilities; (ii) slaughtering, processing, and cold storage facilities; and (iii) market infrastructure, which are gender-responsive and integrate climate change mitigation and adaptation measures. It will finance remodeling and improvement of laboratories, and zoonotic disease and AMR control facilities. Establishing DCZs is expected to leverage private sector investment in value chain facilities, such as feedlots, slaughtering, processing, packaging and cold chains, biogas digesters and bio-fertilizer factories. Priority border areas for DCZs include those between Yunnan province, the PRC and Lao PDR; Myanmar and Thailand; and borders between Cambodia and Viet Nam. DCZs will be extended to trade routes between Cambodia and Thailand; Lao PDR and Viet Nam; and Myanmar and Thailand. Targeted investments in shared SPS facilities will be considered. Operations and maintenance plans for infrastructure, involving smallholders, will be developed.

Output 2: Capacity for improved production and health of livestock and livestock products strengthened. The output will strengthen capacities of government staff in areas, such as (i) animal health services and extension; (ii) disease risk analysis and communication, (iii) field epidemiology, early detection, and hazard monitoring; (iv) laboratory business plans, protocols, and accreditation; (v) TADs, safety, and AMR risk management; (vi) emergency preparedness and responses; (vii) traceability systems; (viii) livestock and meat inspection; (ix) operation of feedlots and quarantine facilities; and (x) cold chain management. A gender-responsive information technology-based platform for preventing livestock epidemics and an e-traceability system will be piloted. Government staff will be trained on (i) hazard analysis and critical control points, (ii) good manufacturing practices towards certification for ISO 22000 or equivalent; (iii) certification of livestock service providers, and (iv) integration of e-traceability systems in disease risk communication and management systems harmonized with ASEAN standards. Smallholders will receive training on disease reporting, monitoring, and livestock value addition options.

Output 3: Enabling policies for better supply, health, safety, and trade in livestock and livestock products enhanced. This output will provide gender-responsive policy support for (i) effectively integrating smallholders and promoting women's roles in livestock production and value addition; (ii) recognizing equivalence and harmonization of quality and safety systems in the GMS to support the formalization of trade in livestock and livestock products; (iii) incentivizing the use of e-traceability systems; and (iv) mobilizing the private sector investment into DCZs, feedlots, and processing facilities, including those related to COVID-19 responses.
The livestock subsector in the Greater Mekong Subregion (GMS) has high potential for economic growth and contribution to food security and livelihoods. Livestock production in the GMS region has more than doubled during 2006-2016 and is expected to continue in the medium-term. Increasing household incomes have affected dietary preferences, leading to a rapid growth in demand for livestock and livestock products (footnote 1). Such rising demand presents opportunities for smallholders, including women, and small- and medium-sized agribusinesses.

Growing demand for livestock and livestock products, especially in the People’s Republic of China (PRC), has increased large-scale movement and trade of livestock through other GMS countries. However, such trade is mainly informal and uncontrolled, raising risks for the spread of transboundary animal diseases (TADs) and zoonoses (diseases transmitted from animals to humans). Lao People’s Democratic Republic (Lao PDR) and Myanmar signed memoranda of understanding with the PRC to harmonize trade protocols for ruminants. However, with limited capacity, it is not yet practical to realistically meet such protocols with high standards to allow formal trade with PRC and other countries. Prevention and control of health hazards are critical to reduce livestock losses and improve resource efficiency.

Transboundary animal diseases pose a threat to livelihoods, food security, trade, and economic growth. The global cost of foot and mouth disease is estimated at more than $6.5 billion annually. The African swine fever, a devastating hemorrhagic fever in pigs with high mortality rates approaching 100% and no vaccine, also provides a sobering example of the threat TADs pose to food security. TADs hamper livestock productivity, cause market disruptions, and limit formal trade and market access for GMS livestock suppliers. They often form a key non-tariff barrier to trade in live animals and, in some cases, animal products as per the World Trade Organization’s Sanitary and Phytosanitary (SPS) Agreement. The agreement allows countries to ban imports from other countries where TADs are present unless the exporting country can demonstrate effective risk management systems. This is also the case with foodborne hazards, including enteric pathogens such as Salmonella and enterotoxigenic E. Coli strains.

Zoonoses, foodborne hazards, and antimicrobial resistance threaten human health in addition to causing high costs in terms of healthcare, lost labor and tourism, and limited access to export markets. Approximately 60% of diseases recognized in humans to date are due to multi-host pathogens. Around 75% of newly emerging human infectious diseases, including the recent coronavirus disease (COVID-19), are zoonotic. More than 600 million cases of foodborne illnesses are estimated globally each year, causing over 400,000 deaths. Pathogens exhibiting antimicrobial resistance (AMR) currently cause about 700,000 deaths per year globally, which, if left unchecked, is expected to reach 10 million deaths and a global cost of $100 trillion by 2050. Overuse and inappropriate use of antimicrobials in animal production, a key driver of AMR, are already high in GMS and is expected to grow with intensification of livestock industry. Control of TADs is also essential to reduce reliance on antimicrobials in livestock. The proliferation of food safety laws and AMR national action plans in the GMS demonstrate recognition of the critical threat these hazards pose. COVID-19 impacts. COVID-19 has become a global pandemic with adverse impacts on food security and livelihoods. Restrictions on the movement of labor, goods, and services, as well as containment measures such as factory and market closures, have reduced food supplies and increased prices sharply. As COVID-19 is zoonotic, investing in livestock disease monitoring and preparedness, and healthy livestock value chains can contribute to COVID-19 response and reduce the risk of emerging infectious diseases with pandemic potential (see Appendix 5).

Livestock value chains in GMS are complex, fragmented, inefficient, and frequently cross borders. Inefficiencies in current systems are due to suboptimal infrastructure at key value chain nodes, and absence of effective disease monitoring and control facilities. Lack of livestock breeding centers, feedlots, and facilities for slaughtering, cold storage, and processing contribute to high food losses and low competitiveness. Smallholders lack access to value chain services and markets due to the absence of formal trade pathways. Investments in infrastructure, such as animal disease control zones (DCZs) comprising feedlots, laboratories, and quarantine facilities, can improve livelihoods, resilience, and food security while reducing public health risks including COVID-19, increasing market access, and mitigating adverse environmental impacts.

Low capacity to manage animal health and food safety risks is a key concern. Strengthening capacities and policies, including those related to COVID-19 responses, is critical to manage health risks and allow safe movement of livestock and livestock products. The establishment and management of DCZs, with collaboration from the PRC, Australia, and other countries with advanced disease control systems, can improve risk management policies and capacity across the subregion and attract investments from the private sector. The traditional livestock subsector is a major contributor to greenhouse gas emissions accounting for 14.5% of global emissions. It is also a major water consumer and a source of water pollution and other environmental impacts. Improving livestock feed, reducing losses to disease and waste, and adopting greener production and processing technologies can reduce emissions and increase resource use efficiency. Climate change impacts result in low animal productivity. High temperatures, low water availability, and extreme weather events exacerbate animal disease risks. Integration of adaptation measures (e.g., stress-tolerant breeds, feeds, and infrastructure) in livestock health and value chain management can enhance productivity and resilience of livestock farmers and associated ecosystems in a holistic manner.

Although the GMS governments have prioritized livestock production, health, trade, and food safety in national strategies, investments in livestock disease control and enabling policies are inadequate. National strategies stress the need to improve competitiveness of livestock subsector through adoption of a value chain approach and policies prioritizing smallholder integration in the value chains.

Addressing livestock health hazards and strengthening value chains while increasing cross-border benefits through regional cooperation and integration can deliver strong pro-poor and climate-smart development outcomes. Mobilizing private sector investments into livestock value chains through public-private partnerships is feasible only when conducive policies and supportive institutions are in place. Investing in infrastructure, capacity building, and policies for livestock disease monitoring, preparedness, and control can increase productivity, inclusiveness, sustainability, and resilience of GMS livestock value chains. Such efforts will produce measurable pro-poor outcomes while promoting trade and regional public goods, including regional health security. They will contribute to the objectives of One Health Approach, which recognizes that animal health, plant health, human health, and environmental health are interrelated and contribute to planetary health.
Outcome
Health, value chains, and formal trade of livestock and livestock products improved

Outputs
Livestock health and value chain infrastructure expanded and upgraded in a climate-friendly manner
Capacity for improved production and health of livestock and livestock products strengthened
Enabling policies for better supply, health, safety and trade in livestock and livestock products enhanced

Geographical Location
Nation-wide

**Safeguard Categories**

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<th>Environment</th>
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<tr>
<td>Involuntary Resettlement</td>
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<tr>
<td>Indigenous Peoples</td>
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**Summary of Environmental and Social Aspects**

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

**Stakeholder Communication, Participation, and Consultation**

During Project Design
During Project Implementation

Responsible ADB Officer
Ancha, Srinivasan

Responsible ADB Department
Southeast Asia Department

Responsible ADB Division
Environment, Natural Resources & Agriculture Division, SERD

Executing Agencies
Ministry of Agriculture, Livestock and Irrigation
Office Bldg No. 15, Nay Pyi Taw, Myanmar

**Timetable**

<table>
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<th>Activity</th>
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<td>Concept Clearance</td>
<td>29 Jul 2020</td>
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<tr>
<td>Fact Finding</td>
<td>12 Dec 2022 to 23 Dec 2022</td>
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<td>MRM</td>
<td>28 Feb 2023</td>
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<td>Approval</td>
<td>-</td>
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<td>Last Review Mission</td>
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<td>Last PDS Update</td>
<td>31 Jul 2020</td>
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