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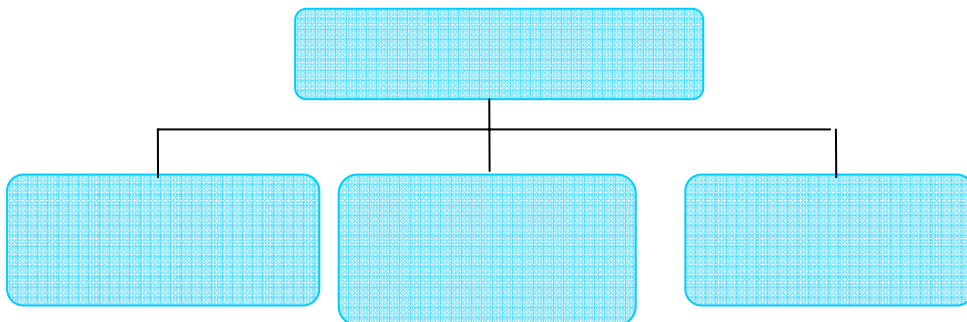
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COSOP consultation process

1. The consultation for this results-based Country Opportunities and Strategy Programme (RB-COSOP) occurred in two steps. A pre-COSOP mission was conducted from 5 to 16 December 2010. This was followed by the main RB-COSOP mission from 4 to 26 January 2011. The pre-COSOP mission aimed to undertake some preliminary assessments and identify the main pillars for IFAD's engagement over the period 2011 to 2015. Overall this mission recommended that IFAD's future programmes should continue to invest in the Northern and Southern provinces as this allows IFAD to build on lessons learned and scale-up successes in order to ensure impact and sustainability. It also recommended that IFAD should concentrate its efforts more on the agricultural livelihoods of the rural poor and not to dissipate its resources into broader social infrastructure opportunities. Instead, these should be met through strategic partnership with other donors if available.
2. Subsequently, the main mission finalised the field work, confirmed the areas for IFAD's strategic engagement, and drafted the RB-COSOP report. Both mission relied on document review, sector studies, key informant interviews, field visits, household interviews, and wrap-up workshops to inform and guide COSOP development. Both missions fully engaged with Government and other development partners. The main COSOP mission also held a half day stakeholder workshop to validate and further refine the emerging strategy.
3. This COSOP is supported by the following sector studies: (a) Agriculture and Farmers' Organizations; (b) Rural Finance; (c) Value chain assessment of poor rural households in the Lao People's Democratic Republic; (d) Natural Resource Management and climate change; (e) Poverty Analysis and institutional context; (f) Principle to guide value chain selection.
4. Key informant interviews and field visits: Consultations were held with a number of government and donor agencies in Vientiane. Meetings were held at the national level with the following Government agencies: Ministry of Planning and Investment (MPI), Ministry of Finance (MOF), Ministry of Foreign Affairs (MOFA), Ministry of Agriculture and Forestry (MAF), Ministry of Public Work and Transportation (MPWT), Ministry of Industry and Commerce (MIC), National Land Management Authority (NLMA), Ministry of Health (MOH) and Water Resources and Environment Agency (WREA).
5. Over the period of COSOP formulation meetings were also held with all key development partners and local NGOs including: AFD, AsDB, Care International, CIAT, FAO, GIZ, Health Unlimited, JICA, Lao Women's Union, Lao Youth Union, the Lao National Chamber of Commerce and Industry (in Vientiane and Oudomxay [in the future replaces 'Oudomxai']), Luxembourg Development, SDC, SNV, UNDP, UNEP, University of Lao (Department of Agriculture), Village Focus International, WB and WFP. The main private sector entities met are: the Lao agroprocessing association, the Agriculture Promotion Bank, the Nayoby Bank, noodle and candle factories, tea processors (Lao eco-place), maize and job's tears traders and sesame oil processors/exporters.
6. The missions also undertook field visits in the provinces of Attapeu and Sekong in the south and Sayabouly [in the future replaces 'Sayabouri'] and Oudomxay in the north. Meetings were held with line agencies at the provincial and district level and interviews occurred with households in selected villages. All villages were selected based on poverty incidence. While some were very remote, requiring long travel times, the selection ensured that the team appreciated the reality of service delivery in the remote areas of the country. The team split up for village visits ensuring that small groups only visited villages. This also enabled more villages to be covered.
7. Key discussions during the Provincial and District visits centred on the respective roles of Government agencies. All agreed that the Ministry of Agriculture, its devolved

service delivery groups (PAFO and DAFO) and its research and training arms, must play a key implementation role.

8. COSOP Consultation Workshop: a COSOP workshop was held with stakeholders on 25 January to reflect on the strategy, its feasibility and risks associated with its delivery. Thirty-four participants took part in the half day workshop and included representation from all agencies, donors and NGOs listed above.

9. Participants were asked initially to reflect on IFAD's comparative advantage in the Lao People's Democratic Republic and areas where improvements could be made. Feedback received enhanced the discussion of comparative advantage in the COSOP. Participants provided comments on the key risks overall feasibility and potential linkages and partnerships. This input strengthened the discussion of these issues in the COSOP. There was strong support for the integrated approach to conservation farming systems and the sustainable harvesting of NTFPs. All participants agreed that, whereas farmer organizations were needed to advance many of the initiatives, the success of these in the past has been mixed.

10. COSOP in-country validation Workshop: an in-country validation WS was organised on 19 May 2011 in Vientiane. The main stakeholders participated and agreed on the relevance and importance of the three SOs proposed. The main themes proposed for discussion were the scaling-up process and the policy working group.

11. Once finalised, the COSOP is expected to be presented at the September 2011 Executive Board.

Country economic background

Data Profile	2000	2005	2007	2008
Overview				
Population, total (millions)	5.40	5.88	6.09	6.21
Population growth (annual %)	2.0	1.7	1.8	1.8
Surface area (sq. km) (thousands)	236.8	236.8	236.8	236.8
GNI, Atlas method (current US\$) (billions)	1.50	2.65	3.70	4.66
GNI per capita, Atlas method (current US\$)	280	450	610	750
GNI, PPP (current international \$) (billions)	5.98	9.21	11.65	12.73
GNI per capita, PPP (current international \$)	1,110	1,570	1,910	2,050
People				
Life expectancy at birth, total (years)	61	64	65	65
Fertility rate, total (births per woman)	4.6	3.7	3.5	3.5
Adolescent fertility rate (births per 1,000 women ages 15-19)	52	43	39	37
Contraceptive prevalence (% of women ages 15-49)	32	38
Mortality rate, under-5 (per 1,000)	86	70	64	61
Malnutrition prevalence, weight for age (% of children under 5)	36
Immunization, measles (% of children ages 12-23 months)	42	41	40	52
Primary completion rate, total (% of relevant age group)	69	71	74	75
Ratio of girls to boys in primary and secondary education (%)	81	84	86	87
Prevalence of HIV, total (% of population ages 15-49)	0.1	0.1	0.2	..
Environment				
Forest area (sq. km) (thousands)	165.3	161.4	159.9	..
Agricultural land (% of land area)	8.0	8.5	9.2	..
Improved water source (% of population with access)	48	54	..	57
Improved sanitation facilities (% of population with access)	26	43	..	53
Economy				
GDP (current US\$) (billions)	1.74	2.72	4.29	5.47
GDP growth (annual %)	5.8	7.1	7.6	7.3
Inflation, GDP deflator (annual %)	25.1	2.1	6.9	8.4
Agriculture, value added (% of GDP)	53	36	36	35
Industry, value added (% of GDP)	23	24	27	28
Services, etc., value added (% of GDP)	25	39	37	37
Exports of goods and services (% of GDP)	30	33	36	33
Imports of goods and services (% of GDP)	44	49	51	44
Gross capital formation (% of GDP)	28	34	38	37
States and markets				
Time required to start a business (days)	..	195	100	100
Military expenditure (% of GDP)	0.8	0.4	0.4	0.4
Mobile cellular subscriptions (per 100 people)	0	11	24	33
Internet users (per 100 people)	0.1	0.9	1.6	8.5
Global links				
Merchandise trade (% of GDP)	49.9	52.7	46.4	45.5
Net barter terms of trade index (2000 = 100)	100	95	115	113
External debt stocks, total (DOD, current US\$ millions)	2,501	2,844	4,388	4,944
Total debt service (% of exports of goods, services and income)	7.8	17.3	15.2	..
Net migration (thousands)	-88	-115
Workers' remittances and compensation of employees, received (current US\$ millions)	1	1	1	1
Foreign direct investment, net inflows (BoP, current US\$ millions)	34	28	324	228
Net official development assistance and official aid received (current US\$ millions)	281	302	396	496

Source: World Development Indicators database, April 2010

COSOP results management framework

Country strategy alignment ⁴	COSOP strategic objectives	COSOP outcome indicators related to the strategic objectives ⁵	COSOP milestone indicators showing progress towards strategic objective ⁶	COSOP Institutional/Policy objectives
<ul style="list-style-type: none"> • Food security and self sufficiency • Decrease poverty to below 19% of the total population, and poor households to below 11% of total households, by year 2015. 				
<ul style="list-style-type: none"> • Ensure forest cover at 65% of the total area of the country • Secure the country from losses due to natural disasters, such as controlling forest fires, drought, flood, erosion of rivers, and denuding of mountains • Increase population having access to clean water to 80% • To complete issuing one million land titles in a systemic and regulated manner, without conflict and achieving a three-fold increase in land revenue (or equal to 5% of the national revenue) 	<p>SO1: Community-based access to, and management of, land and natural resources is improved</p> <p><i>Baseline: Currently no producer groups engaged in planning, coordinating and supporting access to land and natural resources.</i></p>	<ul style="list-style-type: none"> • At least one producer interest group formed and functioning in every target village (RIMS 2.1.1 & 2.1.4) • 40% target villages have some form of community tenure agreements for use of land and natural resources (RIMS 2.6.1) by yr4 • 60% of households in target villages receive tangible benefits from adoption of conservation practices 	<ul style="list-style-type: none"> • More than 40% of producers engaged in interest groups • 30% of participating community have environmental plans⁷ (RIMS 1.1.13) • Communal tenure for all kinds of village lands registered in 10% of villages • Swidden upland fallows and agricultural land protected by improved SWC measures (RIMS 1.1.14) • 70% of producers in target area trained in NRM (RIMS 1.1.9) • 50% of drinking water systems rehabilitated and 25% of communities receive new water system (RIMS 1.7.3) 	<ul style="list-style-type: none"> • Support development of farmers' organizations policy with MAF through participation in donor working group and targeted TA • Policy dialogue to support formal recognition of communal tenure (National Land Management Authority) through the policy working group • Develop capacity of farmers and farmers' organizations to access private extension and veterinary services

⁴ Draft 7th NSEDP for 2011-2015

⁵ Where relevant indicators will be reported on a sex and age disaggregated basis with differentiation between ethnic groups households

⁶ Idem as footnote 4

⁷ forged to guide sustainable harvesting of NTFPs, forest management or water resources

Country strategy alignment ⁴	COSOP strategic objectives	COSOP outcome indicators related to the strategic objectives ⁵	COSOP milestone indicators showing progress towards strategic objective ⁶	COSOP Institutional/Policy objectives
<ul style="list-style-type: none"> • Ensure 350Kg of rice/person/year in mid-and uplands • Aim to achieve growth in livestock at 4-5% per year, including cows and buffaloes at about 2-3%, and pigs and poultry at about 6% 	<p>SO2: Access to advisory services and inputs for sustainable, adaptive and integrated farming systems is improved</p> <p><i>Baseline: >95% of producers follow traditional rotational farming and gathering practices⁸</i></p>	<ul style="list-style-type: none"> • 50% of farmers adopt one or more recommended productivity or diversification technologies (RIMS 2.2.2) by the end of yr 4 • 50% of households report crop and animal productivity increases (RIMS 2.2.2) • 50% of households report a reduction in their rice-deficit period 	<ul style="list-style-type: none"> • 60% of new extension staff or alternate agricultural service providers trained (RIMS 1.2.1) • 60% of people trained in crop production practices and technologies (RIMS 1.2.2) • 60% of people trained in livestock production practices and technologies (RIMS 1.2.3) • 60% of people accessing facilitated advisory services (RIMS 1.2.4) 	<ul style="list-style-type: none"> • Work with NAFRI, PAFO and DAFO to develop capacity for integrated farming systems planning (incorporating cropping, livestock and gathering activities) • Support NAFRI and NAFES to replicate and adapt lessons from previous applied research on uplands farming systems through stronger linkages between research and extension • Work with NAFES to support mainstreaming of LEAP extension methodology in mid and upland areas of target provinces
<ul style="list-style-type: none"> • To encourage production in small and medium enterprises (average grow rate at least at 15% per annum) • To accomplish greater market participation ratio of small and medium enterprises, so that they provide employment to more than 85% of the non-farm workforce • Aim to achieve annual exports growth at about 18% and imports at about 8% per year 	<p>SO3: Access to markets for selected produces is improved</p> <p><i>Baseline: Whereas most producers are opportunistic marketers < 5% of consistently market produce across the year</i></p>	<ul style="list-style-type: none"> • At least one value added enterprise maintains operations in each district after three years (RIMS 2.5.2) • 40% of capital requirements of value added enterprises met through innovative credit agreements (e.g. forward contracting) (RIMS 2.3.2) • 60% of village-access roads maintained in the target areas (RIMS 2.4.2) 	<ul style="list-style-type: none"> • More than 50% of the farmers in the target group form farmers/marketing groups and/or 60% of existing groups strengthened (RIMS 1.4.4) • 50% of people trained in post-production, processing and Marketing (RIMS 1.4.1) • At least 15 agreements signed between producer groups and commercial processors and traders by PY2 (RIMS 1.3.4) • Groups managing infrastructure formed and/or strengthened in 20% of all target villages by PY2 (RIMS 1.1.2) 	<ul style="list-style-type: none"> • Improve contract farming mechanisms through the formation of and support to farmers' organizations • Engage with provincial and district Departments of Industry and Commerce to remove formal and informal restrictions on trading of key crops • Support the gradual establishment of apex organizations for producer groups through technical assistance and financing

8 Given the variability that exists across provinces, specific data will need be collected prior to commencement of projects under this COSOP

Previous COSOP results management framework

Narrative Summary	Verifiable Indicators a/	Means of Verification	Assumptions/Risks
<p>Goal: Enhanced impact on economic growth and sustainable livelihoods improvement of the rural poor, women and vulnerable groups in target districts identified as the poorest and poor by the NGPES.</p>	<p>Income poverty incidence reduced by 50% from 48% in 1990 to 24% by 2015.</p> <ul style="list-style-type: none"> • Increased ownership of household assets. • Reduction in the prevalence of malnutrition for children under five (weight for age, height for age and weight for height). 	<ul style="list-style-type: none"> • Lao Consumption and Expenditure Surveys. • VAM Data of WFP. • Results and impact management system (RIMS) assessments. • PBAS reviews. • MDG progress reports and reviews. 	<ul style="list-style-type: none"> • Stable social, economic and political environment. • Poverty reduction in the poor and poorest districts continues to be NGPES priority.
<p>Purpose: An increase in the food security and incomes of households in target districts in response to needs defined by communities.</p>	<ul style="list-style-type: none"> • Increase per capita grain availability to 350 kg/annum by 2010. • US\$ equivalent of investment in the poor targeted NGPES districts, including co-financing from other external agencies, the Government and by the private sector. • Project specific indicators. 	<ul style="list-style-type: none"> • Statistical reports of Government. • Impact surveys. • Project supervision reports. 	<ul style="list-style-type: none"> • Macroeconomic and decentralization policies continue to support poverty reduction and community self-development. • Stable social, economic and political environment.
<p>Output: The capacity of poor households and village- and community-based organizations strengthened.</p>	<ul style="list-style-type: none"> • Number of groups operational/functional for at least 3 years, by type. • Number of women on local decision making bodies. • Number of groups with women leaders. • Number of village development plans included in local government plans. 	<ul style="list-style-type: none"> • RIMS assessments. • Mid-Term and Project Completion Reviews. • Participatory Impact Assessments. • Project supervision reports. 	<ul style="list-style-type: none"> • Government continues to support decentralised and participatory community self-development.
<p>Production and productivity of crops, livestock and natural resources by the poor and vulnerable households improved.</p>	<ul style="list-style-type: none"> • Ha of incremental crops grown. • Number of farmers adopting technology recommended by the service providers. • Number of farmers reporting production/yield increases. • Number of poor farmers reporting increased animals. • Number of households provided with long-term security of tenure of natural resources. • Ha of common property resources under improved management practices. • Shifting cultivation replaced with economically viable alternatives. • Opium production eradicated and replaced with economically viable alternatives. 	<ul style="list-style-type: none"> • RIMS assessments. • Mid-Term and Project Completion Reviews. • Participatory Impact Assessments. • Annual UNODC opium surveys. • Project supervision reports. 	<ul style="list-style-type: none"> • Proven and appropriate technology options and alternatives are available for extension. • Targeted households efficiently use market information and rural financial services.
<p>Improved access to sustainable rural financial services markets.</p>	<ul style="list-style-type: none"> • % of portfolio at risk. • % of operational self-sufficiency. • % of operating cost/loan portfolio. • % of households producing for the markets. 	<ul style="list-style-type: none"> • RIMS assessments. • Mid-Term and Project Completion Reviews. • Participatory Impact Assessments. • Project supervision reports. 	<ul style="list-style-type: none"> • Government reforms of the financial and banking sector continue as planned. • Government continues to deregulate and liberalise markets and prices.
<p>Capacity and accountability of key service providers improved and institutional and policy changes effectively achieved.</p>	<ul style="list-style-type: none"> • Capacity of key service providers improved in their service delivery to the targeted population, including introduction of a participatory and demand-driven work culture. • Effective and accountable systems and procedures functioning for decentralised planning, financing and implementation. • Piloting and disseminating innovative approaches to poverty reduction and rural development for possible replication by Government and/or other development partners. • Number of projects where new/changed pro-poor legislation or regulations are enforced at the local and national levels. 	<ul style="list-style-type: none"> • Country Portfolio Reviews. • RIMS assessments. • Mid-Term and Project Completion Reviews. • Participatory Impact Assessments. • Project supervision reports. 	<ul style="list-style-type: none"> • Government receptive to institutional and policy changes. • Government decentralization policy continues. • Adequate capacity of IFAD to influence government in institutional and policy changes. • Continued cooperation and coordination with other development agencies.

9

Project completion evaluation

For the Oudomxai Community Initiatives Support Project in the Lao People's Democratic Republic Agreement at completion point

A. Introduction

1. In 2010, a completion evaluation of the Oudomxai Community Initiatives Support Project (OCISP) was conducted in the Lao People's Democratic Republic. The main objectives were: (i) to assess the performance and impact of the project; and (ii) to generate findings and recommendations useful for ongoing and future agriculture and rural development projects and programmes in the Lao People's Democratic Republic.
2. The main Evaluation Mission was conducted in August-September 2010. A final learning workshop was organised in December 2010, to take stock of the evaluation findings and prepare the Agreement at Completion Point (ACP). This ACP, which has been facilitated by IFAD's Office of Evaluation, sets out understandings between IFAD (Asia and the Pacific Division) and the Government of the Lao People's Democratic Republic (Ministry of Planning and Investment) of the evaluation findings and recommendations, and their proposals to implement them. The recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions.
3. A new COSOP is currently being developed (January 2011) between IFAD and the Government of the Lao People's Democratic Republic and this will be followed by the formulation of a new project. It is foreseen that IFAD future programmes will continue to invest in the Northern and Southern provinces. This will allow IFAD to build on lessons learned and scale-up successes in order to ensure impact and sustainability.

B. Main evaluation findings

4. The project was managed well but implementation was uneven because of problems with the agricultural and natural resource management (ANRM) component and delays with the rural financial services component. Rural infrastructure development was the most successful component, meeting or surpassing all its output targets. The institutional development activities in the community development and institutional strengthening components were also successful. Village participatory planning was established and fed into district planning and budgeting for service delivery. Good project management and coordination was achieved, with a significant increase in the capacity of project implementers. Overall, OCISP was implemented within the planned period, with high levels of disbursement.
5. As a broad based rural development project, OCISP was successful. Through the investment in rural infrastructure, it brought the target population in remote villages closer to markets and services and gave them much greater access to safe water, with undoubted health benefits. The construction of school dormitories increased enrolment rates in primary and secondary schools. The village savings and credit schemes (VSCSs) mobilised village savings and provided funds for small agricultural and trading enterprises. Villagers' wellbeing was also improved through health, nutrition and adult literacy programmes, village communications and cultural villages. The process of participatory village planning was strengthened, so that villagers were more able to agree their priorities and be more confident in negotiating them with district government service providers. Women's wellbeing and access to decision-making processes improved.
6. OCISP was also successful in building the capacity of the government agencies to fulfil their mandates and roles within the framework of the Lao Government's decentralization policy. Training, technical assistance and guidance from supervision

missions played an important part in this process, but capacity was also built through learning by doing. Although initially there were difficulties in establishing the right processes and procedures, they were overcome and project staff became more confident in their abilities to do the work. OCISP acquired a reputation for successful implementation among government and donors.

7. However, the main purpose of the project was to improve the livelihoods of the villagers by developing improved and sustainable agricultural development and natural resource management in areas where shifting cultivation and opium production had been reduced. In this respect, the project was much less successful. The main economic alternative, which was widespread in the province, not just in the target villages, was maize cultivation. The main driver of this development was the private sector, although the project did contribute by providing seed and extension advice, roads infrastructure and savings and credit schemes. The project's other contribution was the expansion of lowland rice production through the construction of irrigation schemes and paddy rice expansion; but this could only benefit a small proportion of the target population because of the limited availability of valley bottom land. Apart from a few other small initiatives in the growing of fruit, vegetables and NTFPs, and even fewer activities with livestock and fish farming, no significant alternatives were developed for the upland areas, where other alternatives than maize were needed. Very little activity was undertaken with respect to natural resource management.

C. Agreement at completion point

8. All of the evaluation report's recommendations are deemed acceptable and feasible by the Government of the Lao People's Democratic Republic and IFAD, and will be implemented in the future. The paragraphs below provide some details on the nature and on the implementation arrangements, including assigned responsibilities and timeframes as applicable for the main recommendations and derived sub-recommendations.

(i) Consolidate successful interventions in existing project villages. Consolidating project interventions in order to improve sustainability should include: (a) improving the capacity of villagers to manage their own VSCs while continuing to strengthen and supervise the recently established district and provincial microfinance institutions; (b) strengthening the Agricultural Technical Service Centres; and (c) monitoring the maintenance of rural infrastructure, linking it to district services for major repairs and finding ways to increase the commitment of resources from government departments at all levels.

- Partners involved, but not restricted to, implementing the recommendation: Ministry of Planning and Investment, Ministry of Agriculture and Forestry, Ministry of Public Works and Transport, WFP and IFAD.
- Follow up: This effort will be primarily Government led and will include the establishment of a road maintenance fund. The Government will need to identify other activities to respond to the remaining sub-recommendations in the coming months. WFP will support the government in responding to sub-recommendations (a) and (c) through the Cash for Work and Food for Work programme. IFAD will support the Government as appropriate.
- Timeframe: starting from 2011.

(ii) Focus on improving ANRM through explicit focus on the uplands, addressing deficiencies of the agricultural extension system, including a broader range of partnerships and identifying relevant implementation modalities. The main consideration for any future project in Oudomxay must be to address issues related to ANRM. Ultimately, any improvement in the livelihoods of villagers will depend on the development of sustainable economic alternatives. There are physical limits to the development of lowland rice production, land-use-planning policies have limited the amount of land available for upland agricultural production, and maize cultivation is not sustainable in the long run without measures to offset declining soil fertility. Any future

ANRM strategy should focus more explicitly on the uplands and include: (a) agricultural intensification; (b) agricultural diversification; (c) increasing livestock productivity through forage planting; (d) improved harvesting of NTFPs; (e) a value chain approach that will strengthen the links between farmers, transporters and traders; and (f) participatory land and forest management and awareness raising on villagers' rights to use and manage natural resources.

(iii) Any new project that focused primarily on ANRM would have to address the deficiencies of the agricultural extension system, not only increasing resources and capacity building but also improving institutional management and commitment. The extension system also needs to be much more focused on innovation. Extension officers and researchers need to work together to identify problems and find solutions for upland agriculture and natural resource management. The new ANRM component should include a broader range of partnerships, including private sector operators, research institutions, the National Agricultural and Forestry Extension Service and training establishments. Government departments that have an interest in the sector could also be involved, such as the National Land Management Authority and the Ministry of Industry and Commerce. The primary responsibility for project management, coordination and decision-making should continue to be located in the provincial and district planning offices, with oversight from the local Steering Committees, but a mechanism for accessing advice from relevant national line ministries should also be established.

- Partners involved, but not restricted to, implementing the recommendation: Ministry of Agriculture and Forestry, Ministry of Planning and Investment, Ministry of Industry and Commerce, National Land Management Authority, IFAD, WFP.
- Follow up: Recommendations will be addressed by the new COSOP and the programme covering Oudomxay and Sayabouly.
- Timeframe: 2011-2015.

(iv) Incorporate more remote ethnic villages. Any new project should focus explicitly on the more remote ethnic villages; however, the range of activities should be considered carefully. OCISP already found that it was difficult to work in these villages; transport was time consuming and there were few staff with knowledge of ethnic languages. Any future project should combine quick wins through the provision of rural infrastructure with longer term development of agriculture and natural resource management. The community development approach should be more narrowly focused on these two areas, building local participatory capacities to interface with project implementers. The broad based Community Development approach with a proliferation of implementers and activities might not be cost effective in the more remote areas.

- Partners involved, but not restricted to, implementing the recommendation: Ministry of Agriculture and Forestry, Ministry of Industry and Commerce, National Land Management Authority, WFP and IFAD
- Follow up: Recommendations will be addressed by the new COSOP and the programme covering Oudomxay and Sayabouly.
- Timeframe: 2011-2015.

(v) Build knowledge management for wider scaling up. OCISP provided a good source of lessons learned that could be useful for other projects, government policy-makers and donors. However, little time or resources have been available to take advantage of this. A future project should systematically build in a fully resourced knowledge management component, which analyses the lessons from OCISP and future project experiences, produces knowledge products, and organises dissemination activities with links to other projects, researchers, policy makers and beneficiaries.

- Partners involved in implementing the recommendation: IFAD, Ministry of Planning and Investment and other related Ministries.

Follow up: Recommendations will be addressed by the new COSOP and the programme covering Oudomxay and Sayabouly. In addition, use of the Information and Knowledge Management Unit (IKMU) within the Department of International Cooperation, MPI (the Grant Support already available through IFAD to MPI), will be used for this purpose.

- Timeframe: 2011-2015.

Signed by:

Mr Somchith Inthamith

Director General, Department of International Cooperation

Ministry of Planning and Investment

Lao People's Democratic Republic

_____ Date: _____

Mr Thomas Elhaut

Director, Asia and the Pacific Region

Programme Management Department

International Fund for Agricultural Development

_____ Date: _____

Indicative project pipeline during COSOP period

1. SOUM SON SEUN JAI PROGRAMME (COMMUNITY-BASED FOOD SECURITY AND ECONOMIC OPPORTUNITIES PROGRAMME)

A. Possible geographic area of intervention and target groups

1. Four districts in Sayabouly and five in Oudomxay make up the programme area and all are among the country's 72 poor districts (out of a total of 143). Eight (excluding the newly created Saysathan) have received IFAD support through the recently closed Oudomxai Community Initiatives Support Project (OCISP) and the ongoing Rural Livelihoods Improvement Programme (RLIP) in Attapeu and Sayabouri.

2. The target group (approximately 17,000 households) consists of two sub-groups: (i) highly vulnerable food-insecure households (> 4 months' rice deficit p.a.) with limited capacity to enter into the market; and (ii) poor households that are moderately food-secure but have a greater potential to enter into the market. The majority of the target group is made up of Khmu, Hmong and Phrai ethnic groups. Women and female heads of household are an important target sub-group because of their role in agricultural production and responsibility for household nutrition, but they often lack access to labour, extension services and market opportunities.

3. The following modes of targeting are envisaged: (i) geographical targeting based on poverty ratios; (ii) self-targeting based on programme activities that interest only poor households and (iii) targeting geographically organized farmers organizations with production and market linkage potential.

B. Justification and rationale

4. The programme design is centred-around an integrated and community-based approach to tackling key production and market constraints.

5. Current farming practices are often characterized by unsustainable short rotation shifting cultivation resulting in increasingly low soil fertility, limited dry season cropping, slow maturing livestock husbandry practices and overexploitation of non-timber forest products (NTFPs). For example, foraging from the surrounding forests and access to productive fishing streams continues to be a critical factor in ensuring food security (field observations suggests that 36-49% of nutritional intake among poor rural households are sourced from nearby forests and rivers). Furthermore, given the absence of irrigation systems, during the dry season integrating forest-based farming systems play a critical role for farmers in planning their farming activities on available lands. Planting taro in nearby forests is being used as a strategy by the poor to hedge against crop failure, particularly to replace rice should the rice crop fail entirely, as it did this year due to drought.

6. This situation is compounded by the absence of value added processing, partly driven by the lack of access to markets and market opportunities. Production and marketing is highly individualized and lacks organization which continues to undermine the farmer's ability to reduce production cost and negotiate better prices with buyers.

7. Given these conditions, a substantial number of households in the target districts have yet to graduate permanently from poverty, and only a third of rural households are fully food-secure (with 12 months' rice availability).

8. In this context, addressing current challenges facing poor households will require focus on improving agricultural systems. That was one of the key lessons from previous IFAD projects; this was also strongly highlighted in the recent evaluation of the OCISP project.

C. Key Project Objectives

9. The goal is to contribute to the reduction of extreme poverty and hunger (MDG 1) in the Lao People's Democratic Republic. The development objective is to create opportunities and generate momentum towards securing sustainable access to food and wealth creation for the rural poor in the target villages. The programme design supports the three strategic objectives of the future COSOP for 2011-2015.

D. Ownership, Harmonization and Alignment

11. The programme design supports the National Growth and Poverty Eradication Strategy (NGPES), the MDG targets, the 7th National Socio-Economic Development Plan (NSEDP), and the Strategy for Agricultural Development 2011 to 2020.

12. By focusing on improving rural livelihoods the programme will complement the investments being made by other development partners in the transport and social sectors (AsDB, China, KfW and WFP). The programme will be implemented through the existing government agencies' structures.

E. Components and activities

13. The programme will have two components:

(A) Integrated farming systems: (i) improving upland conservation and production systems (ii) livestock development; and (iii) water management

(B) Links to markets: (i) village-access roads; and (ii) improving access to markets

14. The integrated farming systems component will aim to improve and integrate farming systems through the formation of farmers' organizations, the introduction of better intercropping and conservation practices, better animal husbandry and efficient water harvesting. Drinking water supply schemes will also be provided as a social entry point for the programme.

15. The links to markets component will develop pilot approaches in each of the target provinces.

16. In Sayabouly, demand from the Hongsa mining operations will be a catalyst. One possible way to meet increased credit requirements as a result of this growing demand will be by linking the lending activities of commercial banks with those of the existing village banks. This approach would be supported by on-farm technical support services delivered through farmers' organizations to help reduce risks. In Sayabouly, the programme will also use the farmers' organizations to expand commercial production and processing of NTFPs.

17. In Oudomxay, the existing supply chain network for maize and other cash crops will be used for cross-border trade to market NTFPs and other products. It will be the catalyst for strengthening the supply chain networks and market linkages and for developing public/private partnerships to expand and improve private provision of on-farm technical support by traders/exporters to farmers' organizations.

18. The two above components are strictly interlinked. Both target sub-groups share a common livelihoods system based on cropping, raising livestock, gathering of forest products, and some limited wage labour. Many households move between these two sub-groups on a regular basis, and many activities will be appropriate for both of them. Both sub-groups lack access to services to promote enhanced subsistence farming and/or marketing of cash crops and are at a disadvantage when contracting with traders.

19. Agricultural value chains, natural resources management, and food security are intricately related issues in the Lao People's Democratic Republic. In this context, an integrated and flexible approach to addressing location-specific challenges among the rural poor is essential for the development of this programme. Capacity building, knowledge management, community-based natural resource management, farmers' organizations and gender mainstreaming will be integral parts of all activities.

F. Costs and financing

20. IFAD will contribute with a DSF grant of US\$ 13.9 million available under the PBAS. IFAD will seek partnerships for programme financing with other development partners, including GIZ, the Government of Luxembourg and WFP, who collaborated with IFAD in Sayabouly and Oudomxay.

G. Organization and management

21. The programme implementation will be aligned to government procedures for decentralized development with the provincial and district agencies responsible for planning and delivering programme services to the target villages. Implementation will use private as well as public sector service providers and involve public/private partnerships. A major strategy will be to form and strengthen farmers' organizations as focal points for village resource planning, community-based action, farmer-to-farmer dissemination, as well as processing, value addition and marketing activities. A piloting approach will be followed during the implementation of the programme. For example: trials on upland agroforestry and farming systems, with appropriate participatory planning and capacity building will be piloted in a set of villages during the first year, and then possibly scaled-up in subsequent years.

22. The proposed methodology would incorporate a public/private partnership approach where product demand is first identified in partnership with traders/exporters. Based on the identified market potential, the trader/exporter would facilitate the provisioning of technical support services based on the National Agriculture and Forestry Research Institute's experience combined with a community-based development plan for commercialized production.

23. At national level, MAF will be responsible for backstopping the provinces and overall programme coordination. It is anticipated that the proposed program will take advantage of an already existing administrative structure at the national level, which will be supported by three additional staff. No programme management unit will be required at provincial and district levels, the programme will be implemented through existing provincial and district government structures. IFAD will be responsible for programme direct supervision.

H. Monitoring and Evaluation indicators

The programme will build on, and align to the Government M&E system and it will include RIMS indicators to respond to IFAD's requirements. The programme baseline (RIMS+) will be prepared before the programme start-up. Reporting will be required every six months.

I. Risks

Major risk factors to successful implementation are related to the low capacity of government agencies, the lack of local service providers and the coordination with partners. These risks will be addressed by strengthening in-country implementation support systems through trainings, regional exchanges and visits, and by providing technical assistance in partnerships with GIZ, the Government of Luxembourg, WFP and other development partners. A comprehensive assistance plan to support government agencies in the implementation will be prepared. To ensure successful implementation, a cascade training approach will be followed and support will be provided through regional NGOs, public/private partnerships and service providers.

J. Timing

24. The initial programme design will take place in the first quarter of 2011 and the design completion mission is scheduled for the second quarter of 2011. The programme is expected to be presented at the December 2011 Executive Board. Implementation should start early in 2012 in support of the 7th NSEDP (2011-2015).

2. SOUTHERN LAOS FOOD SECURITY AND MARKET LINKAGES PROGRAMME

A. Possible geographic area of intervention and target groups

1. The Lao People's Democratic Republic's Southern upland districts bordering Vietnam and Cambodia continue to experience the highest levels of poverty. Livelihoods for these predominantly ethnic villages are further hampered by acidic soils, poor roads, and increasing land and resource concessions for FDI (hydro-power, minerals (bauxite) and agricultural plantations). Furthermore, unsustainable and often illegal cross-border resource exploitation, particularly for timber, is a constant issue. In this area Unexploded Ordnances (UXO) are a serious threat and limit the use of land for agriculture. Poverty analysis undertaken for IFAD COSOP 2011-2015 shows that Attapeu and Sekong are among the poorest provinces of the south, with the districts of Kaleum and Dakcheung in Sekong, and Sanxay and Phouvong in Attapeu, ranked among the country's priority 47 poor districts. Sekong's poverty rate of 47 % (rural: 53%; urban: 29 %) is significantly higher than the national average.

2. These four districts will be the focus for this new programme, scheduled to start in 2014. Based on future PBAS, opportunity may exist to expand the programme to include additional eastern border districts within other Southern provinces. The target group within the core four districts consists of two sub-groups: (i) highly vulnerable food-insecure households (> 4 months' rice deficit p.a.), with limited capacity to enter into the market; and (ii) poor households that are moderately food-secure, and have a greater potential to enter into the market.

3. In these districts only a small fraction of the population are ethnic Lao speakers (3% in Sekong). The vast majority come from one of at least 14 distinct ethnic minority groups, in particular the Brao, Ye, Katu, Trieng, Harak, Katang, Laven, and Sou. Within these communities, women and female heads of household are an important focus, particularly because of the role they play in agricultural production and their responsibility for household nutrition, while at the same time too often lacking access to labour, extension services and market opportunities.

4. The following modes of targeting are envisaged: (i) geographical targeting based on poverty ratios to identify poor villages and village clusters; (ii) participatory community-based targeting to direct programme activities that specifically focus on poor households; and (iii) targeting farmers organizations to enhance advocacy, the efficiency of information delivery, productivity improvement, group product consolidation, and market linkages.

B. Justification and rationale

5. Elevated areas in Attapeu and Sekong offer significant long term productive potential for the Lao People's Democratic Republic. Although these areas have a low population density, their proximity to export markets in Vietnam, along with their elevation, provide important production opportunities. Already coffee growing is being widely promoted in the region, and the coffee industry is developing significant independent capacity for consolidation, processing and niche marketing. Other cool season crops (e.g. asparagus, brassicas and leafy vegetables) also show promise. Interest has also been increasing in expanded cassava production, as well as livestock production.

6. However, the current farming practices are largely based on shifting cultivation. In some areas this remains sustainable due to longer rotations and limited pressure on forest land. However, once subject to more intensive cultivation, or shorter rotation periods, these friable, well drained soils become rapidly acidic. In which case, without corrective inputs or ameliorants, productivity rapidly declines.

7. Current climate change projections also conjecture an increased risk of rainfall variability (droughts and flooding rains). In 2009, typhoon Ketsana was a significant shock to target households within IFAD's ongoing RLIP project in Attapeu. Assets were

lost, and short and medium term food insecurity increased. As climate variability increases, farming households will need to focus on developing more resilient farming systems and appropriate safety nets.

8. IFAD can play a significant role in helping reduce such inequitable development, by enhancing the access of poor farmers to sufficient resources to sustainably meet their family food security and income needs. This requires more careful land-use planning at the village level, clear tenure for farming households, and improved support (and advocacy for) communities to negotiate more favourable partnerships with foreign direct investors. Increased regulatory capacity of provincial and national government will be needed, as well as both improved and more transparent public/private-sector partnerships.

9. In tandem with these opportunities, poor farmers will require their traditional farming systems to be enhanced. The integration of crop and animal systems also needs improvement, as does cross seasonal productivity. Sustainable harvesting regimes for NTFPs will likewise need development. Consistent productivity and quality improvements, along with enhanced value adding to crop, animal and non-timber forest products, will allow farmers to enter the market more consistently, and achieve more meaningful cash returns throughout the year.

C. Key Project Objectives

10. The goal is to contribute to the reduction of extreme poverty and hunger (MDG 1) in the Lao People's Democratic Republic. The development objective is to enhance the market opportunities, productivity and resilience of mid and upland farming systems in Southern the Lao People's Democratic Republic.

11. The programme supports the three strategic objectives of IFAD's proposed COSOP for 2011-2015.

D. Ownership, Harmonization and Alignment

12. The programme supports the National Growth and Poverty Eradication Strategy (NGPES), and the MDG targets. It is aligned with the 7th National Socio-Economic Development Plan (NSED 2011-2015), as well as MAF's Strategy for Agricultural Development 2011 to 2020. In compliance with the Paris and Vientiane declarations, the programme will be implemented through the existing government structures.

13. By focusing on improving rural livelihoods, the programme will complement the investments being made by other development partners, including current co-financing with AsDB, ongoing work by GIZ and WFP. Other complementarities that could be explored include: WB (Poverty Fund, Food Security, and Sustainable Forestry initiatives), AsDB funded Biodiversity Corridors Initiative, and NGOs, such as Health Unlimited, World Wildlife Fund and others.

E. Components and activities

14. It is envisaged that the programme's design will commence in late 2012/beginning 2013. As such, it will be influenced by developments over the next two years, as well as by the lessons and successes of the two IFAD ongoing projects in the South. Component areas are therefore indicative at this time, but could include: (a) Improved integrated farming systems; (b) Improved market linkages.

F. Costs and financing

15. IFAD will use its PBAS allocation for 2013-2015. However, IFAD might also seek partnerships for programme co-financing.

G. Organization and management

16. The programme implementation will be aligned with government procedures for decentralized development. The planning and delivering of programme services to the target villages will therefore involve the provincial and district agencies. However,

implementation will also use private as well as public sector service providers, and involve public/private partnerships.

17. The programme will be managed and implemented through the existing provincial and district agricultural offices. At a national level, MAF will coordinate reporting, and monitoring and evaluation. Also, MPI and DPI will play a role in ensuring that project activities are aligned with national, provincial and district SEDPs, as well as with other development programs.

H. Monitoring and Evaluation indicators

18. The programme will build on, and align to, the Government M&E system. It will also include RIMS indicators in accordance with IFAD's requirements. The programme baseline (RIMS+) will be prepared before programme start-up. Reporting will be required every six months.

I. Risks

19. Major risk factors to successful implementation are related to the low capacity of government agencies, the lack of local service providers, the potential failure of coordination with partners, and the increasing risks associated with the region's climate vulnerability. These risks will be addressed by strengthening in-country implementation support systems through trainings, regional exchanges and visits, and by providing technical assistance in partnerships with other development donors. A comprehensive assistance plan to government agencies in their support of implementation will be prepared. To ensure successful implementation, a cascade training approach will be followed, and support will also be provided through regional NGOs, public/private partnerships and service providers.

J. Timing

20. The programme is scheduled for design in late 2012/early 2013; the design completion mission is scheduled for the second quarter of 2013; the programme is expected to be presented at the December 2013 Executive Board. Implementation should commence in 2014.

Key file 1: Rural poverty and agriculture-/rural-sector issues

Priority Areas	Affected Group	Major Issues	Actions Needed
Food security	Rural households particularly the poor, women-led households, ethnic groups that experience frequent hunger seasons	<ul style="list-style-type: none"> • Food insecurity and hunger seasons • Poor nutrition structure • Severe malnutrition of children under five 	<ul style="list-style-type: none"> • Partnership with agencies directly assisting nutrition and basic asset building • Diversified agricultural production • Fair access to and sustainable use of NTFP
Sustainable agriculture	Rural households particularly the poor, women-led households, ethnic groups living in resettled lowland and upland areas	<ul style="list-style-type: none"> • Inconsistent marketing of food crops and livestock • Lack of diversification • Excessive use of natural resources related to production • Absence of a sustainable community-based agricultural plan • Dry season with no or little production • Land constraints, fallows without cover crops • Competition from concessions • Lack of appropriate extension services to upland areas 	<ul style="list-style-type: none"> • Participatory Land Use Planning • Sustainable integrated farming system • Improved conservation practices in agriculture • Diversified on-farm and off-farm income generating activities • Capacity building
Farmers' organization	Rural households particularly the poor, women-led households, ethnic groups that rely on traditional subsistence farming techniques	<ul style="list-style-type: none"> • Lack of mutual trust in merged villages making formation of producer groups more difficult • Individualized farming and marketing practices • Smallholder production with non-standardized quality and low volume • Poor access to market information and know-how 	<ul style="list-style-type: none"> • Promoting farmers' associations and cooperatives leading to organized farming and marketing • Build service capacities in contract farming and cooperative marketing among farmers' associations • Including the economically active poor in farmers' associations • Link farmers' associations to production sector specialization
Natural resource management	Rural households particularly the poor, women-headed households, and ethnic groups that rely on forest resources and traditional subsistence farming	<ul style="list-style-type: none"> • Increasing clearing of forest and land for commercial development • Over-exploitation practices of local communities in open access areas • Increasing agriculture exploitation by concessions • Unprotected biodiversity 	<ul style="list-style-type: none"> • Adaptive farming system • Fair access to and sustainable use of NTFP • Participatory Land Use Planning • NRM-driven processes and techniques
Extension support	Rural households, particularly those who intend to produce beyond the subsistence level Extension workers, especially those who intervene at district and village levels	<ul style="list-style-type: none"> • Site appropriate service support lacking • Technical services for uplands lacking • Intermittent support mechanism at village level • Professionals and technicians are not trained • Poor service mobility vs. wide and remote area of coverage • Lack of incentive system for consistent support at village level • Absence of coherence between overall community development objectives and available extension support 	<ul style="list-style-type: none"> • Demand-driven extension service • Expand private sector provisioning of technical services • Piloting effective extension support model at grassroots level • Replicate and scale up success stories • Technical training for extension staffs in skill and knowledge specialization and diversification • Piloting incentive system for village-level support • Integrate project support into the extension institutional network
Enabling environment for livelihoods	Rural households particularly the poor, women-led households, ethnic groups that experience frequent hunger seasons	<ul style="list-style-type: none"> • Primary subsistence needs yet to be met • Difficult access to health and medical care • Primitive sanitation and hygiene conditions • High illiteracy rate 	<ul style="list-style-type: none"> • Security of tenure of sufficient land for food security • Low-cost traditional irrigation and water harvesting systems • Partnership with agencies investing in improving conditions of health, education, sanitation and hygiene

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Organization	Strengths	Weaknesses	Opportunities / Threats	Remarks
Enablers				
Ministry of Planning and Investment	<ul style="list-style-type: none"> • Coordination functions with other line agencies • Strong relationships with provincial leadership and Governor's offices • Good relationships with donors • Experience with project cycle management 	<ul style="list-style-type: none"> • Limited technical capacity at all levels • No service delivery functions • Limited financial management and planning at provincial level and below 		<ul style="list-style-type: none"> • Responsible for coordinating NSEDP process • Statistical and research capacities
National Land Management Authority	<ul style="list-style-type: none"> • Mandate for land titling including communal lands of ethnic groups • Representation in all districts 	<ul style="list-style-type: none"> • New agency with overlapping functions with MAF 	<ul style="list-style-type: none"> • Opportunity to partner with NLMA and Land and Natural Resources Research and Information Centre for appropriate land titling for upland areas • Staff at LNRRIC have updated skills, academic competence and close relations to proponents of debates in the National Assembly on land rights 	<ul style="list-style-type: none"> • New authority with mandate for land titling
Water Resources and Environment Agency (WREA)	<ul style="list-style-type: none"> • Strategic central location • Scope of mandate promotes integrated approach & mainstreaming climate and biodiversity 	<ul style="list-style-type: none"> • Lacks skilled staff at province and district level • Watershed management function largely unstaffed 	<ul style="list-style-type: none"> • Current external capacity development support to WREA leading to rapid improvement and can be further leveraged 	<ul style="list-style-type: none"> • Important partner for key CC and watershed management areas • Will play a key role in REDD oversight
Service Providers				
Ministry of Agriculture and Forestry (MAF)	<ul style="list-style-type: none"> • Qualified staff • Representation at all administrative levels • Good relationships with donors • Experience with project cycle management 	<ul style="list-style-type: none"> • Limited financial management and planning at provincial level and below 	<ul style="list-style-type: none"> • Opportunity to empower MAF as key partner in agriculture to take on its mandated role 	<ul style="list-style-type: none"> • Regulatory and service delivery mandate • Ministry home to key service provider • Prepares strategies in response to Party Congress recommendations
MAF National Agriculture and Forestry Extension Services (NAFES)	<ul style="list-style-type: none"> • All PAFO and DAFO have extension mandates (PAFES and DAFES) • Mandate for technology extension • Well qualified staff at National and Provincial levels 	<ul style="list-style-type: none"> • Limited capacities in local languages • Limited outreach to women • Limited collaboration with private sector • Limited expertise in integrated farming systems 	<ul style="list-style-type: none"> • LEAP project is executed from NAFES. • Opportunity to train village extension agents • Opportunities for greater and more transparent private sector linkages 	<ul style="list-style-type: none"> • Recently established national extension system with kumban level representation which primarily are DAFES staff that periodically meet with farmers at kumban level
MAF National Agriculture and Forestry Research Institute, and Northern Agriculture and Forestry Research Centre	<ul style="list-style-type: none"> • Trained staff • Sound experience in agricultural research and extension 	<ul style="list-style-type: none"> • Limited number of staff and great demand for services • Weak representation at provincial and district 	<ul style="list-style-type: none"> • Opportunity to serve as research and extension mentor through linkages with NAReC and PAFOs 	

<i>Organization</i>	<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities / Threats</i>	<i>Remarks</i>
(NAFRI / NAFReC)		<ul style="list-style-type: none"> levels Limited experience scaling up innovations Limited direct interaction with farmers except in targeted research 		
MAF - Northern Agriculture and Forestry College (NAFC)	<ul style="list-style-type: none"> Higher Diploma Programme in Upland Agriculture started in 2010 Strong support from SDC Strong relationships with private industry 	<ul style="list-style-type: none"> Students have limited financial support and must grow food, cook and clean besides course work 	<ul style="list-style-type: none"> Link training to labour market Livestock and Fishery divisions Several students from ethnic minorities training to become extension workers 	<ul style="list-style-type: none"> Opportunities for supporting ethnic group, youth in target villages to become trained over three years in skills of importance for their home community
Ministry of Industry and Commerce	<ul style="list-style-type: none"> Qualified staff at National and Provincial levels Experience in skills development 	<ul style="list-style-type: none"> Unclear mandate re: trade regulation 	<ul style="list-style-type: none"> Opportunity to streamline regulations Threat of interference and collusion 	
Ministry of Health	<ul style="list-style-type: none"> Qualified staff 	<ul style="list-style-type: none"> Mandate exclusive to potable water; causes fragmentation re: integrated water management 	<ul style="list-style-type: none"> Opportunity to scale up past water innovation of IFAD and other donors. Opportunity to add value on nutrition / closing the food security loop 	<ul style="list-style-type: none"> Good track record in the design and delivery of clean water and sanitation systems
Transportation and Public Works	<ul style="list-style-type: none"> Qualified staff Existing construction planning cycle Good cooperation with other line Ministries 	<ul style="list-style-type: none"> Limited community involvement Limited O&M Small budget at provincial and district level 		<ul style="list-style-type: none"> Good partner for delivery of roads and other infrastructure

Key file 3: Complementary donor initiative/partnership potential

Donor/Agency	Nature of Project/Programme	Project/Programme Coverage	Status	Complementarity/Synergy Potential
World Bank	<i>Sustainable Forestry for Rural Development – AF (Additional Financing)</i> <ul style="list-style-type: none"> National policy formulation and development of Participatory Sustainable Forest Management models for Production Forest, timber revenue and benefit sharing arrangements with local communities, transparent timber sales procedures to maximize timber revenues, and timber products industry restructuring and Forest Inspection. 	Savannakhet, Saravan, Khammouane, Champasak (1st phase) and Sayabouly, Vientiane, Bolikhamxay, Attapeu and Sekong (2 nd Phase till 2012)	US\$23.5m (WB US\$10m 2009-11 and Govt of Finland US\$13.5m 2009-12)	Participatory sustainable forest management (PSFM); Forest and Land Use Planning within each demarcated village territory; Preparation of forest management plans at kumban level for villages located inside or on border of demarcated Production Forest Areas. No overlap with IFAD project areas in Sayabouly but in Attapeu's Sanxay and Sanmaxay districts.
	Lao Environmental and Social Project <ul style="list-style-type: none"> Management of land, forests and water 	Low land and upland areas	US\$7m. Closing on June 2013	Forest management Initiatives related to community and Biodiversity Investments
	Lao Upland Food Security Improvement Project <ul style="list-style-type: none"> Agricultural productivity improvement 	Upland. Sekong, Saravane and Attapeu	US\$14.6m. Closing in Dec. 2014 in cooperation with the Poverty Reduction Fund	<ul style="list-style-type: none"> Improved Farm Systems for Food Security Farm access roads Linkage with markets Irrigation
	Forest Carbon Partnership Facility, Readiness <ul style="list-style-type: none"> Preparation Proposal (R-PP) 2012 readiness implementation The Lao People's Democratic Republic selected among the few countries eligible for FCPF 	National level	R-PP endorsed in Washington DC November 2010 => access to Readiness Fund	A number of activities and pilots to be carried out in the Readiness Phase will require changes to legislation on benefit sharing, and, possible PES modalities, afforestation plans and forest conservation plans with communities
	Forest Investment Program (FIP) 2012 <ul style="list-style-type: none"> The Lao People's Democratic Republic selected among few countries globally to benefit from FIP WB with AsDB and others Scoping mission January 2011. 	National	FIP US\$20-30m out of CIF for the Lao People's Democratic Republic	FIP includes a Dedicated Grant Mechanism for Indigenous Peoples. SE Asia workshop for IP held in Vientiane end Jan 2011 to discuss implementation arrangements under FIP
	Poverty Reduction Fund (with SDC and AusAID) <ul style="list-style-type: none"> Participatory village and kumban planning Social and productive infrastructure 	Huaphanh, Sekong, Attapeu, Champasak, Saravan, Luangnamtha, Xienghuang	US\$20m for 2009 – 2011. New phase being designed	<ul style="list-style-type: none"> Includes responsive funding for local initiatives New programming in Attapeu and continued in Sekong. Room for partnering on livelihoods and productive infrastructure
AsDB	The Northern Rural Infrastructure Development Sector Project <ul style="list-style-type: none"> Irrigation systems and rural access roads together with associated initiatives to enhance agricultural productivity. 	Northern provinces of Bokeo, Luang Namtha, Oudomxay and Phongsaly, with a combined population of 760,000 people	A grant of US\$23m approved in Nov. 2010. Expected project duration: 2011 – 2017	<ul style="list-style-type: none"> Agricultural infrastructures Contract farming Commercialization for rural smallholders Integrated water resource management Eco-environment protection Support to indigenous people
	AsDB-IFAD Sustainable Natural Resources Management and Agricultural Productivity Enhancement Project	Five provinces of Champassak, Saravan, Savannakhet, Sekong and Attapeu 2009-2015	IFAD grant US\$15m AsDB US\$20m	NRM land use plans at provincial level. Screening sub-projects prepared by local bodies for project implementation, roads, irrigation
	AsDB-IFAD Northern Region Sustainable Livelihoods through Livestock Development Project	Five provinces of Bokeo, Luang Namtha, Luang Prabang, Xieng Khouang and Houaphan. (2007-2014)	IFAD grant US\$3m AsDB US\$10m SDC US\$3.5 m	The specific objective of the project is to enhance village livestock systems through improved livestock productivity and profitability under integrated upland farming systems.

Donor/Agency	Nature of Project/Programme	Project/Programme Coverage	Status	Complementarity/Synergy Potential
	AsDB and Nordic Fund: Capacity Enhancement for Coping with Climate Change		Recently initiated. Workshop on work plan held end Jan 11.	National and provincial level capacity development (agriculture, forestry, water resources, energy). Policy review, institutional strengthening. Will have pilot project by end-2011
SDC	Poverty Alleviation in Remote Upland Areas, II	2008-2012 (-14) in Saysathan district of Sayabouly implemented by Care and District Agriculture and Forestry Office	US\$1.4m and US\$300.000 Care co-funding	Coincides with new IFAD project covering Saysathan district. Care implements components on livestock mobile clinic, tea growing, water supply and roads
	The Agro Biodiversity Initiative Project (TABI)	2009-11 (MAF, NLMA, WREA,) Alignment to National Agro-biodiversity Plan	CHF 743.015	Works on Communal tenure with LNRRIC of NLMA
	Small Scale Agro Enterprise Development in Upland Project (SADU) and Laos		On-going	Supported by CIAT and working through NAFRI, on market based approaches for food security
	Extension for Agriculture Project (LEAP), Laos			LEAP through Helvetas 3rd phase with NAFES. Main project on extension in the Lao People's Democratic Republic
	Agricultural Education Reform			Support to NARC (college for agricultural extension in Luang Prabang)
	Right link Lao (Right-Land, Information, Networking and Knowledge Lao)			Support for government and communities re forest and land laws and rights with VFI
	Northern Regional Upland Sustainable Livelihoods through Livestock Development Project (NRSLDP). with IFAD and AsDB			Joint SDC-IFAD-AsDB programme
WFP	<ul style="list-style-type: none"> • Food for Work • Food for Training • Purchase for Progress (P4P) 		On-going country programme and the Lao People's Democratic Republic as piloting country for P4P	<ul style="list-style-type: none"> • Food security and nutrition • Community infrastructures • Training • Agricultural market and support
GIZ	Rural Development in Mountainous Areas of the Lao People's Democratic Republic (RDMA) cofinanced with RLIP-IFAD <ul style="list-style-type: none"> • Technical assistance for local and regional NRM and economic development • Social development • Institutional development 	Attapeu, Sekong, Sayabouly	Ends 2012, new project to include elements of RDMA and the Land Management and Registration Project	<ul style="list-style-type: none"> • District and village participatory planning • Support to market access • Natural resource management • Participatory land use planning (PLUP) • Rural finance
	Land Management and Registration Project <ul style="list-style-type: none"> • 2008 and ongoing until 2012, then included in a new project as a Land Component from 2012 onwards covering land survey, LUP and land registration, private and communal land 		Works with NLMA on land registration	Possible collaboration with IFAD project in Sayabouly 2012 onwards with support to analytical work on communal agricultural (shifting cultivation) land registration as part of ongoing land registration
Lux Development	Bolikhamxay Livelihood Improvement and Governance Project <ul style="list-style-type: none"> • Works through MPI 	2010-2014	€6.6m	Agricultural and forestry extension, land ownership certification, and market promotion, rural infrastructure comprising schools, dormitories, village meeting halls, market centres, feeder roads and irrigation facilities through block-grant mechanism to the respective districts. The third major intervention is micro-finance and village development grants.

Donor/Agency	Nature of Project/Programme	Project/Programme Coverage	Status	Complementarity/Synergy Potential
Agence Française de Développement (AFD)	Technical assistance to Agro-ecology sector (PROSA) <ul style="list-style-type: none"> • Agriculture of conservation • Partnership building • Technical training 	Northern highland	€1m, ongoing	<ul style="list-style-type: none"> • Farmers' associations • Value chain capacity building • Land titling • Marketing • Provincial governance
	Northern Uplands Development Program <ul style="list-style-type: none"> • Agriculture, marketing, value chain and environmental conservation • With financing from EC, SDC, BMZ (via GIZ), 	Luang Prabang, Ponsali, Huaphanh	€17.5m	<ul style="list-style-type: none"> • Farmer's association • Value chain capacity building • Environmental management • Extension capacity building
IUCN	Landscapes and Livelihoods Strategy <ul style="list-style-type: none"> • The Livelihoods and Landscapes (LLS) project supports IUCN Lao to work closely with the Government of Lao and local Lao communities to build knowledge and capacity in the management of natural resources. 			The IUCN the Lao People's Democratic Republic Country Programme Agreement is supported by the Swedish International Development Agency (Sida). The Country Programme Agreement (CPA) allows the IUCN the Lao People's Democratic Republic country office to foster relationships with key partners, develop programme areas and respond to emerging regional, national and local issues
UNDP /GEF	Improving the Resilience of the Agriculture Sector in the Lao People's Democratic Republic to Climate Change Impacts	2011-2014 NAPA Follow-up project 3 provinces and 5 districts Savannakhet Province: Outhumphone and Champhone districts Saravan Province: Kongsadon district Sayabouly Province: Phieng and Paklia districts	Approved by GEF-Sec Dec 2010 US\$4.45m from LDCF	NAFRI to implement and work with extension services. Strengthen knowledge base on CC, build institutional capacity, & introduce adaptive technologies on the ground. Demonstration sites; piloting community-based adaptation measures, including crop diversification, drought- and flood-resilient crop options & farming methods, low-cost water conservation/irrigation technologies. Micro watershed work
UNDP/GEF	Mainstreaming Biodiversity in the Lao People's Democratic Republic's Agricultural and Land Management Policies, Plans and Programmes	2011-2016	US\$2.265m GEF grant US\$3m co-finance from SDC/TABI Projected start date: March 2011	Will work closely with TABI Agro-biodiversity management to promote biodiversity, food security & quality of life. Will include farmers groups, farmer field schools, biodiversity-friendly farming including organic production, value chain research
UNDP/UNEP	Poverty Environment Initiative (PEI)		On-going	Build the long term capacity of the government to integrate environmental concerns in national development plans, investment management processes and poverty reduction strategies
UNDP/GEF/ AusAID	Small Grants Programme /AusAID Mekong and Asia Pacific (MAP), Community-Based Adaptation (CBA) Programme	August 2009 – June 2014	On-going	improve the adaptive capacity of communities, thereby reducing their vulnerability to the adverse effects of climate change risks
UNDP	Capacity Development on Disaster Risk Management		On-going	National Disaster Management Organization (NDMO). Enhance livelihoods of poor, vulnerable and food insecure populations through sustainable development

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Levels And Causes	Coping Actions	Priority Issues	Potential Response
<p>Moderately vulnerable 35% - 40% (including women, youth and ethnic groups)</p>	<ul style="list-style-type: none"> Moderately food-secure Some involvement in value chains but share no premiums Contract farming 2+3 model is common Access to non-formal credit Risk of falling into poverty if adverse events take place Work for the better-off in the paddy fields 	<ul style="list-style-type: none"> Meet family needs with regular off-farm and on-farm incomes Access forest and river-based products to supplement daily food intake Sell livestock 	<ul style="list-style-type: none"> Increased application of improved and climate-resilient farming practices and techniques Improved integration in value chains Increased productivity and quality of farm produce Access to credit Improved access to markets, community infrastructures and support services 	<ul style="list-style-type: none"> Increased application of improved farming practices and techniques Income generating specialization and diversification Inclusive farmers' organizations Sustainable NRM and adaptive farming model Improved community infrastructures and facilities Capacity building <p>Security of tenure of communal land</p>
<p>The poor or the most vulnerable (including women, youth and ethnic groups) 50% - 60%</p>	<ul style="list-style-type: none"> No land or little Language barriers preventing access to information Food-insecure Low farm productivity Limited access to market Limited access to credit High vulnerability to natural disasters and increasing climate variability High expenditure on medicine and food Poor nutrition balance Low literacy level 	<ul style="list-style-type: none"> Become labourers for FDI, rubber plantations etc. Work for the better-off in the village Sell livestock Encroach on forest for new land Collect NTFP for food security High reliance on forest and river-based products to supplement daily food intake Depend on external assistance for survival 	<ul style="list-style-type: none"> Secure food security and better nutrition balance Access to sufficient land Need tenure security of communal lands against FDIs and land appropriation Access to extension services in own language Increase productivity, diversification and quality of farm produce Improved access to markets, community infrastructures and support services Access to credit 	<ul style="list-style-type: none"> Security of tenure of communal land Soil fertility management of fallow lands Improved and appropriate extension services, also in ethnic languages Increased application of improved and climate resilient farming practices and techniques Market linkages Productive infrastructures Capacity building