

Swiss Agency for Development and Cooperation SDC



Independent peer review
of the Strategy for Agricultural Development

March, 2012

Abbreviations

ADB	Asian Development Bank
ADB ASR	ADB Sector Assessment. Strategy and Roadmap
ADS	Strategy for Agricultural Development (2011-2020)
AFD	Agence Française de Développement
AFTA	ASEAN Free Trade Area
AIP	Agricultural Investment Plan (2011-2015)
AMP	Agricultural Master Plan (2011-2015)
ANR SWG	Agriculture and Natural Resources Sector Working Group
ASEAN	Association of South-East Asian Nations
AIFS	ASEAN Integrated Food Security Strategy Framework
CAADP	Comprehensive Africa Agriculture development Programme
DOS	Department of Statistics (MPI)
DOP	Department of Planning (MAF)
DP	Development Partners
EC	European Commission
FAO	United Nations Organisation for Food and Agriculture
FDI	Foreign Direct Investment

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<p>Technical realism (alignment of resources with results) and adequacy of institutional arrangements to implement</p>	<p><u>Alignment with CAADP vision, principles and strategy</u> Similar to the CAADP vision, GoL envisages through its strategy for agricultural development to develop dynamic markets for domestic and international trade in agricultural products capitalising on the country's comparative and competitive advantages, with farmers having good access to these markets and genuinely taking part in it, resulting in increased wealth and a more equitable distribution of this wealth among and within the rural communities. It also envisages instilling an environmentally sound agricultural production and sustainable management of its abundant and diverse natural resources as a result of better knowledge, more information and technology application. In alignment with the CAADP overall goal, GoL agriculture strategy is aimed at enhancing food security and reducing poverty as a contribution to the national economic development.</p> <p>In pursuing this vision and overall goal, GoL adheres to principles that are common with those of CAADP. It puts a high value on bringing together key players at national and international levels for joint efforts creating win-win situations, improving coordination, and sharing knowledge. It also addresses policy and capacity issues across the entire agricultural sector.</p> <p>CAADP's four key focus areas for agricultural improvement and investment, including sustainable land and water management, increased market access, increased food supply and access and enhanced dissemination of new technologies through research, are reflected in the four goals GoL has set for its agricultural development strategy and the programmes formulated to attain these goals.</p> <p><u>Feasibility</u> The overall projected investment for the ADS amounts to USD 1,876 million, indicating an increase of 27% compared to the investments made during the last five years (2006-2010). This increase illustrates the intention of GoL to compensate for declining investments over the previous period and to provide a solid framework for growth and poverty reduction. The agricultural investment plan is part of an ambitious overall plan for national development for the next five years, envisaging an annual GDP growth of 8% and a growth in agriculture is at least 3.5%, including an annual increase of about 7% in rice production and of 4 - 5% in livestock production. Projected public investments in the agricultural sector amount to USD 120 million (realistic scenario in ADP), which represents 8% of the total national budget foreseen over the same period. It indicates a considerable increase compared to the share of public investments of 6% and 3% in 2005 and 2008 respectively.</p>	

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as has been done in the SNRMPEP.

ADS outlines risks related to the proposed shift from subsistence to market-oriented agriculture, the major strategic direction underpinning the investment plan. It proposes a comprehensive programme on risk management including risk assessments and specification of the scope of GoL intervention. The programmes outlined in the AMP address the major weaknesses and needs for enhanced development, thus taking away a number of risks in achieving the projected programme outcomes and impacts. Moreover, major DP programmes aligned to the ADS, such as NUDP and SNRMPEP, have elaborated risk assessment and mitigation plans in consultation with GoL. A major economic risk to the successful achievement of the ADS goals and programme outcomes is the need for funds to cover the recurrent costs of periodic and routine maintenance of infrastructure investments as well as the additional salaries and operational costs of public agencies. GoL and DP are working on various policies and measures to increase the coverage of the recurrent costs, one example being the policy to recover operational and maintenance costs of irrigation infrastructure from the immediate beneficiaries.

Since the AMP does not contain the specific details for implementation or the regional adaptations to be made, it does not present explicit beneficiary analyses for each of the eight programmes. When implementing the AMP, GoL and the DP can dispose over a rich and comprehensive database of beneficiary characteristics that is fed by the four following sources. The socio-s-

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An inclusive review and consultation process	<p>will need to be emphasized further in order to achieve the programme and overall objectives.</p> <p><u>Inclusiveness of the investment plan</u> In the ADS the role of women in the agricultural sector is clearly referred to and elaborated, while areas where this role has not yet been fully recognized or taken into account when promoting agricultural development are indicated. The intention of ADS is to address possible negative effects of the new development trends in the agricultural sector on the position of women and to formulate measures that ensure women have adequate opportunities to take part in and benefit from development of the agricultural sector. The various programmes in the AMP include specific measures to address the needs of women and to ensure their participation. Achievements on gender equality are incorporated in monitoring and evaluation. Capacity enhancement for successful implementation of the strategy includes increasing female staff numbers and representative participation of women in capacity building in MAF. Gender mainstreaming reflects the aim of enhanced gender equality embedded in the GoL policies. The NGPES recognizes that poverty reduction must guarantee the inclusion of women as stakeholders and as beneficiaries in all actions. The NSEDP makes explicit mention of a gender strategy with the recognition that Lao women play critical roles in agriculture and other economic</p>	

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formed the essential elements for drafting the strategy and related programmes. Various drafted versions of the strategy have been discussed with and commented by MAF line departments, other ministries, decentralized governments, private sector representatives and DP.

Participation of the DP was ensured through the Agriculture and Natural Resources Sector Working group (ANR SWG which just recently has changed its name into Agriculture and Rural Development Sector Working Group; mainly because of the creation of the new Ministry of Natural Resources and Environment) that has been involved in the formulating of the present strategy for agricultural development from the initial stage onwards and has commented the various drafts of the ADS, the AMP and the AIP. The Sector Working Groups are part of a mechanism for ensuring aid effectiveness at sectorial level through dialogue and coordination between GoL and DP (bi-and multilateral development agencies as well as NGOs) on sectorial development matters and cross-cutting issues and through jointly establishing policies and priorities, mobilizing resources and monitoring result achievement of programmes and projects. An example of DP participation in strategy review, planning and execution forms the NUDP, an initial programme managed by the government with harmonized support of four DPs resulting from the formulation of a programme-based approach for joint DP support to the GoL rural development programme for the northern uplands.

Engagement of private sector and NGOs

The ADS emphasises the important role of the private sector in achieving the goals for development of the agricultural sector, and is built upon increased private investment in the sector for boosting the commercial smallholder agriculture and for partnering investment in services provision, access roads, markets and irrigation schemes. Policy measures to encourage private sector involvement in the agriculture development include i). the promotion of private public partnerships between private enterprises and government agencies for service provision and investments, ii), supporting the creation of strong and independent smallholder organisations to partner with the private enterprises in agricultural production and processing, iii). the transition of MAF from direct service provider to regulator of private sector involvement and to broker between producers and private business, and iv). providing a regulatory framework to ensure that investments benefit the private investors as well as the rural smallholders and Lao society.

Private sector involvement is prominent in the AMP programmes related to commodity production, sustainable land management practices, irrigated agriculture, other infrastructure investments and research & extension. Details about how partnerships between public agencies and the private sector will be established, maintained and monitored are not specified in the ADS or AMP. The importance of the private sector in the implementation of the agricultural strategy is further highlighted by its estimated contribution of 48% of the total investments. The charge of ensuring the partic()JTJETQl 71.74 M9.96-7(eI (-9(s 9.96 Tf1 0 0 1 171.74 n 414.1 reM9.96oIC (t6(gh)34.91 -4(,)2 TmMC P te)4(s)

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	GoL in providing an enabling environment.	

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Extent and quality of dialogue, (peer) review and mutual accountability system	<p>details for programme implementation or present specific data collection and analysis plans for monitoring programme performance</p> <p><u>Implementation responsibility</u> Reporting responsibility and accountability for the implementation of AMP is with the Department of Planning (MAF) who also oversees the monitoring and evaluation to be fed by MAF line departments, being the leading agencies of the various programmes defined under the AMP.</p> <p><u>Dialogue between Government and Development Partners</u> In Laos GoL and DP are brought together in the Round Table Process (RTP) to discuss strategic development directions, as well as to promote collaboration, cooperation and understanding by both parties as they work together to make Official Development Assistance (ODA) as effective, efficient and inclusive as possible. The Round Table Process includes a.) Round Table Meetings held every three years for reviewing plans, strategies and programmes of the Government and DP in accordance with the National Aid Effectiveness Agenda, and b.) the annual Round Table Implementation Meetings for reviewing achievements, and recommending further actions for development strategies, policy reforms and programs. Under the RTP various sector work groups (SWG) have been established, being the equivalent of the Donor Working Groups in the Lao context, They ensure aid effectiveness at sectorial level through dialogue and coordination between GoL, DP and NGO on sectorial development matters and cross-cutting issues and through jointly establishing policies and priorities, mobilizing resources and monitoring result achievement of programmes and projects. The Agriculture and Natural Resources SWG (ANR SWG) consists of four subgroups focused on irrigation, agro-</p>	

