

# Swiss Agency for Development and Cooperation SDC



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**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

SWAP	Sector-Wide Approach
UNDP	United Nations Development Programme
USD	United States Dollar
UXO	Unexploded Ordnance
WB	World Bank
WB CAS	WB Country Assistance Strategy
WPF	World Food Programme
WREA	Water Resources and Environmental Agency
WTO	World Trade Organisation

Areas of review	Assessment of Lao Strategy for Agricultural Development with regard to the review area	Additional information source <sup>1</sup>
Likelihood for the investment programs to realize growth and poverty reduction	<p><u>Alignment with Lao PDR vision, principles and strategy</u>  The National Growth and Poverty Eradication Strategy (NGPES), the national poverty reduction strategy equivalent in Lao PDR, is aimed to reduce poverty through promoting economic growth and increased involvement of the marginalized segment of the population in the economy. In this strategy the Government of Lao PDR (GoL) recognises the importance of agricultural and forestry development in poverty reduction and has set specific objectives of this sector such as ensuring food security, maintaining a 4 to 5% annual growth rate in agricultural output, promoting commodity production, stabilising shifting cultivation and eradicating poppy cultivation, diversifying and modernising the sector, conserving the natural environment and protecting threatened species and habitats, maintaining a healthy and productive forest cover and generating a sustainable stream of forest products as well as improving rural livelihoods. In the strategy GoL proposes priority areas for public investment including agricultural advisory services, improved rural infrastructure, irrigation and rural electrification.</p> <p>The vision, objectives and principles of NGPES are retained in the National Socio-Economic Development Plans (NSEDP), being the roadmap for national development. The Agricultural Development Strategy (ADS) provides the framework, the vision and the long-term development goals of GoL for the sustainable development of the sector aiming at food and income security. It fits into the development pathway set out in the NSEDP and corresponds to the wider GoL vision on national development conform the NGPES. The ADS is composed of 8 programmes in support of reaching the 4 main goals for development of the agricultural sector, comprising food security, market-oriented commodity production, sustainable production patterns and sustainable forest development, each with its specific objectives, outcomes and targets. The programmes are interlinked and harmonized to ensure their contribution to the main goals.</p> <p><u>Alignment with MDG1</u>  The ADS is built around targets related to sustainable agriculture, rural employment and income generation, and the development of rural infrastructure, key focus areas for achieving continued poverty reduction in Lao PDR. Currently the agricultural sector makes up 30% of GDP and employs 70 to 80% of the workforce, whereas the agricultural value added is likely to grow by 4.2% per annum while each percentage increase in agricultural value added results in a 1.6% growth in overall GDP. In the ADS enhanced agricultural production is aimed for through the promotion of improved technologies for agricultural intensification, through the diversification of the agricultural production, through the development of rural infrastructure and through better linkages to markets, all being key areas for improved attainment of MDG1. Although contributing to reduce poverty, the ADS does not specify measures to deal with the growing disparities in wealth among the various segments in the population. The effectiveness of the strategy strongly builds on market interaction but it is not fully clear how communities in very remote places lacking market access will benefit.</p>	ADS AMP NGPES NSEDP7 UNDP Progress Report MDGs (2008)

<sup>1</sup> Additional to ADS, AMP and AIP

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	<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>	
Technical realism (alignment of resources with results) and adequacy of institutional arrangements to implement	<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> <p><u>Efficacy:</u>            Compared to the strategy for agricultural development of the previous decade, the present investment plan contains several changes in focus and implementation modalities that will enhance the efficacy of the programmes. For instance, adjustments are made to the increasing influence of globalisation and climate change on the agricultural sector. While maintaining the general vision of a transition to market-based agriculture, the investment plan puts great emphasis on increasing productivity and on safeguarding the interest of the smallholder producers and of the values</p>	ADS AMP AIP NSEDP 6 mid-term review (2008) NSEDP7 PER agricultural sector Lao PDR Economic Monitor PER NUDP SRMPEP IFAD COSOP WB CAS ADB ASR Lao Census of Agriculture 2010

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and services provided by the natural resources. These elements also figure in the forefront of the country strategies of major multilateral agencies like IFAD, ADB and WB, with variation among these agencies in the emphasis put on specific elements. The ADS and AMP provide a comprehensive and consistent guidance for agricultural development in Lao PDR, while responding adequately to the challenges of the sector.

Sustainability

For setting out a sustainable development of the agricultural sector the proposed strategy and related investment plan focus on market-based production and value-chain development (economic sustainability), conservation of the natural resources (ecological sustainability) and enhanced capacities and organisation of the actors enabling them to take up their roles in the sector development (social and institutional sustainability). The ADS objectives and strategies are in line with and supported by a large number of on-going and pipeline donor-funded projects and programmes, as illustrated by the following examples, thus enhancing the efficacy and sustainability of the investment plan. The NUDP, a programme-based approach of four DP and GoL for rural development in the northern region, is targeted towards economic development at the benefit of the poor, the organisation of smallholders and the management of natural resources, as well as the underlying issues of strengthening public sector agricultural services and enhancing capacities for policy making and the harmonization of government and donor-funded interventions. The ADB-IFAD funded SNRMPEP project addresses institutional and capacity building requirements for improved management of the ANR sector on a sustainable basis while contributing to enhancing agricultural productivity, promoting commercialization of agriculture, and protecting the natural resources. The just started IFAD funded Soum Son Seun Jai programme and the upcoming IFAD programme in the South address location-specific challenges to food security and poverty reduction through an area-based approach combining increased food production, value chain development, farmer organisation and gender mainstreaming. Two complementary SDC and UNDP projects aim to enhance biodiversity conservation in the context of economic development and poverty alleviation, whereas the WB Forest Investment Programme and UNDP Improved Resilience of the Agricultural Sector envisage enhancing climate change mitigation and adaptation.

Merits of the investment plan

The ADS and the related AMP and AIP have been completed and approved at the end of 2010. AMP is a roadmap for implementing the ADS and consists of specific measures

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	<p>as has been done in the SNRMPEP.</p> <p>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.</p> <p>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-economic atlas presenting maps up to village level that show the spatial distribution of socio-economic characteristics such as demography, migration, literacy and education, health, ethnicity and religion, economic activities, living conditions and poverty. The assessments and analyses made with the support of the EC-FAO Food Security Programme in order to identify and profile food insecure households and communities and to enhance understanding of livelihoods for guiding both emergency response and long-term policy and programming. The Lao expenditure and consumption survey (LECS), a recurrent sample survey at household level carried out in every province and district every 5 years, providing data on a range of relevant socio-economic characteristics in support of government policy formulation. The Agriculture Census (2011) providing statistical data about village characteristics (irrigation facilities, UXO contamination, market access etc.), household characteristics (household composition, land acreage, crops and animals) as well as detailed information about agricultural activities and outputs of sampled households in all districts and provinces.</p> <p><u>Institutional arrangements for implementation</u></p> <p>For each of the eight programmes in the AMP a leading agency being a department in MAF has been designated with responsibilities for setting the annual targets of the programme and carrying out the annual M&amp;E of the progress in achievements. The decentralised structures of MAF at provincial, district and village cluster level play a determinant role in the implementation of the programmes taking into account local specificities, needs and priorities. Coordination with other line agencies involved in rural development and poverty reduction is ensured through dialogue under leadership of provincial authorities. The involvement of community organisations, non-governmental organisations and private enterprises in the implementation and management of the programmes have not been worked out and likely</p>	

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	will need to be emphasized further in order to achieve the programme and overall objectives.	
An inclusive review and consultation process	<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 activities, and are primarily responsible for maintaining their families' food security and health. In 2008 GoL, civil society organisations and private sector organisations in the agricultural sector adopted a resolution to improve the participation and empowerment of women in their own development and to support GoL and its development partners to this end.</p> <p>ADS underlines the MAF thrust of ensuring and enabling a regulatory framework and a level playing field for all stakeholders, including safeguards to ensure value chains bringing benefits for the poor and comply with ecological sustainability criteria ("pro-poor green value chains"). Public extension will specifically be directed towards enhanced technology dissemination to poor farmers and in remote areas, while poor areas will have priority in the allocation of the extension service centres to be established at village cluster level. MAF will also develop safety nets for the poorest farmers by ensuring their access to land through Participatory Land use Planning (PLUP), addressing food insecurity issues through the action plan related to the National Nutrition Strategy (NNS) and by supporting the implementation of adaptation and mitigation measures for climate change on the basis of country strategy for climate change. A large number of on-going and pipeline donor projects and programmes align with the objectives and strategies for inclusion of women and vulnerable groups laid out in the ADS.</p> <p><u>Stakeholder participation in review and execution</u>  The formulation of the ADS and AMP has been carried out as a bottom-up planning and consultative process between MAF, other ministries, authorities and public agencies at province and district level, development partners and the private sector. Specific needs and priorities of village leaders and farmers with regard to agricultural development have been brought in by local government and line agencies. Exchanges between stakeholders took form in meetings and workshops, and consultations. The information from the regions obtained through this bottom-up consultation process</p>	ADS, AMP, AIP NGPES, NSEDP 7, Women in Agriculture and Forestry Development Resolution, NNS, Strategy paper climate change in Lao PDR Strategic Framework for National Sustainable Development, ANR SWG presentations, NUDP programme document, ADB ASR, WB CAS, IFAD COSOP, GoL Decree on associations



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	<p>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.</p> <p>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.</p> <p><u>Engagement of private sector and NGOs</u>  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.</p> <p>Private sector involvement is prominent in the AMP programmes related to commodity production, sustainable land management practices, irrigated agriculture, other infrastructure investments and research &amp; 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 participation of private sector actors in agricultural development is shared with MPI (investment) and MoIC (trade). The ADS and AMP underline the importance of coordination and collaboration with these ministries, but does not specify mechanisms to this end. The GoL intention to enhance the involvement of the private sector in the agricultural development is matched by the intervention strategies of major DP like WB, ADB and IFAD that include support to</p>	

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	<p>GoL in providing an enabling environment.</p> <p>International NGOs operating in Laos have been involved in the formulation process through the ANR SWG. National NGOs others than the Unions linked to the ruling political party form a quite recent element in the institutional landscape. At the time the ADS was drafted, the legal framework related to the formal recognition of national NGOs and their role in the national development was in the process of being defined. Hence, their involvement in shaping the strategy has been limited and their engagement in the implementation of the strategy has not yet been specified. The Decree on national non-profit associations (NPAs), the principal form of civil society organisations in Laos, clearly stipulates a role of the NPAs in assisting the Government in implementing its socio-economic development policy. It is not very specific, though, in the involvement of the NPAs in the policy dialogue and formulation. Up to date, the NPAs are still limited in number and in the technical and organisational capacities to engage in the development process. These factors explain why the ADS does not present a clearly defined plan for engagement with the NPA. Given the rapid changes taking place in the Lao society and political environment, engagement of NPAs is likely to be enhanced progressively during the implementation of the agricultural strategy over the coming years.</p>	
<p>Consistency of country budgetary and development assistance commitments with the country investment plan</p>	<p><u>Financing plan</u></p> <p>The AIP indicates three scenarios for funding the ADS and fund allocation to the eight programmes, based mainly on probability of access to ODA and private sector funding. The estimated private sector funding in these three scenarios varies from USD 0 to USD 2,560 million (0 to 63% of the projected overall investment in the agricultural sector) while the estimated ODA funding varies from 886 to 1,368 million USD (88 to 34% of overall investment). Investments by the public sector are around USD 120 to 130 million in all three scenarios. In the most realistic scenario, private sector investment makes up USD 858 million or 46% of the overall investment, with ODA and public sector investments taking 48% and 6% respectively. The public sector investment in this scenario represents 8% of the total national budget, indicating a substantial increase from the previous five years when this proportion oscillated between 3 and 6%.</p> <p>The above figures show that the scope of the investment plan largely depends on the foreign and, to a lesser extent, in-country private investment that can be attracted. Major areas for private investment are irrigated agriculture and market-based commodity production representing 53 and 23% of total private investment respectively, clearly highlighting the importance of private sector investment in these programmes. The estimated figures on financing reflect an extrapolation of the positive trend in private sector investment in agriculture in recent years. The optimistic funding scenario in the AIP shows that additional funding by ODA and private sector would merely benefit the extension of the programmes related to forestry development and to irrigated agriculture.</p> <p>As to the ODA funding, major donors of the broader sector including agriculture, food security and natural resources management are the multilateral agencies ADB, FAO, IFAD, UNDP, WB and WFP and the bilateral agencies of China,</p>	<p>ADS, AIP, NSEDP 6 mid-term achievements, IFAD COSOP UN Laos DP profiles, RTM and RITM reports, NGPES</p>

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	<p>Finland, France, Germany, Japan, Luxemburg, Sweden, Switzerland, and Vietnam. Precise data on commitment of the donors is scarce and rather general. The amount of ODA and official aid committed to Laos annually raised from USD 300 million in 2005 to USD 419 million in 2009, with a peak at USD 500 million in 2008, reflecting a clear trend of increased ODA funding. The information currently available indicates that on-going and pipeline ODA-funded projects in the agricultural sector represent an investment of about USD 200 million for the period approximately up to 2014.</p> <p><u>Phasing of the programmes</u> The proposed measures listed for each programme in the AMP clearly reflect implementation priorities and sequencing. Although not specified, likely criteria for this prioritisation are urgency and available capacities. The AIP also reflects prioritisation in the budget allocation for the different financing scenarios, showing an increased share of funds allocated to food security and a lower share to commodity production and irrigated agriculture in case of the budget restrictions, mainly the result of a lower private sector investment.</p> <p><u>Financial gap</u> The AIP offers three financing scenarios based on the availability of ODA and private sector funding. Differences between the three scenarios indicate that with more funding available, investments in food security, commodity production and irrigated agriculture will increase. Given the volatile nature of year-to-year private sector investment and incomplete information on donor pledges for funding, the current strategy documents suggest the gap, without precisely quantify it, between funding requirements and expected investment allocations for the three scenarios.</p>	
<p>Adequacy of institutional arrangements for effective and efficient delivery, including M&amp;E</p>	<p>The ADS underlines that a number of governmental agencies share responsibilities for agriculture and rural development as well as management of natural resources. Given that their number has grown in recent years and several have undergone restructuring, overlapping jurisdictions, confusion over roles and responsibilities and, in some cases, duplication of efforts among agencies may still exist. The AMP further indicates areas of collaboration between ministries and agencies for the implementation of the various programmes but it does not specify how collaboration and coordination will be handled.</p> <p>Within the government system several committees have been established to coordinate rural development and environmental management initiatives between ministries and agencies, including the Rural Development Committee, the NBRDPR and the National Environmental Committee. There remain some questions, however, about the respective functional responsibilities of these committees as they partly overlap. The involvement of these committees in the implementation of the strategy has not been specified in the strategy documents. More in general, effectiveness of existing coordination mechanisms, strategic frameworks and policies for promoting agricultural development seem hindered by weak enforcement and ambiguous repartition of responsibilities.</p> <p>Being a first initiative under the proposed ADS, the NUDP illustrates the mechanisms for coordination and</p>	<p>ADS, NUDP Programme document, ANR SWG Policy brief #3</p>

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	<p>collaboration between the various ministries and agencies with MAF taking the overall responsibility for implementation and financial management.</p> <p>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>Coherence and or consistency between policies, implementation arrangements and delivery mechanisms, and investments areas, priorities or program objectives</p>	<p><u>Policy issues</u>  The ADS underlines several areas where policies need to be formulated or reviewed in order to provide the enabling environment for successful implementation of the investment plan. These areas include legal formalisation of farmers' organisations, legislation and implementation guidelines for sustainable forest management, community forestry and integrated village development, regulatory framework in order to ensure that commodity production does not negatively impact the natural environment and the socio-economic conditions of the population. In the AMS measures are formulated to address these policy issues. These issues have also been highlighted in the strategic documents of various DP such as IFAD, ADB and NUDP, among other issues for policy dialogue such as climate change assessment and mitigation, land allocation and land use management (esp. regarding shifting cultivation) as well as people's participation in development planning.</p> <p><u>Means and capacities for effective implementation</u>  Effective and efficient implementation of the agricultural strategy and the related institutional arrangements depend on the organisational and human resources capacities of the various institutions involved. ADS and AMP highlight areas that need capacity strengthening. A major area relates to the transition of MAF from direct service provider to facilitator for service provision by the private sector and farmers' organisations. This calls for adjustments in the institutional functioning and in staff capacities, which are addressed through the institutional strengthening and human resources development programme under the AMP. Other areas requiring capacity strengthening include the implementation of laws and decrees at central and decentralized levels, the quality of ODA management systems, job performance as well as institutional and human resources capacities related to engagement in regional and global markets, the integration of indigenous knowledge and climate change adaptation, and the establishment of public private partnerships in the development of irrigated agriculture. These needs are addressed by the Capacity Building programme of the AMP indicating activities and timelines.</p> <p>In the context of ANR SWG, the GoL and DP collaborate on strengthening the institutional capacities for effective implementation of programmes in the sector. Major programmes such as NUDP, SRMPEP and NRIDSP include more specific institutional and human resources assessments and come up with a related capacity enhancement plan. For instance, NUDP includes specific components for strengthening service delivery by public agencies in the agricultural sector, facilitating the emergence of farmers' organisations, enhancing government agency policy making and fostering the measures to enhance aid effectiveness (Vientiane Declaration). ADB sector strategy emphasizes</p>	<p>ADS  NUDP Programme document, IFAD COSOP, ADB ASR, ANR SWG report on institutional framework  SNRMPEP  NRIDSP, PFMSP</p>

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	<p>strengthening public sector capacities for organising farmers, for enhanced policy, legal and regulatory framework for natural resources management, in particular related to integrated water resources and river basin management.</p> <p>As to public financial management, institutional assessments have been made for MoF and some specific ministries including MAF as well as for ministerial departments at subnational level. Capacity constraints and skill gaps in budget planning, budget execution, accounting, reporting, and auditing have been identified. The PFMSM, a multi-donor support programme on public financial management includes a capacity enhancement plan to address these areas. In order to make more effective GoL systems for the management of a future full-fledged programme-based approach, NUDP will support public expenditure review in key sectors related to uplands development, the development of financial and planning management tools and procedures for a PBA.</p> <p><u>Delivery mechanisms and institutional arrangements</u> Key responsible agencies in the implementation of the strategy are MAF and its line departments at provincial and district level, the Ministry of Environment (incorporating the former WREA and NLMA) at central and, likely, decentralized levels, MoIC, MPI, National Chamber of Industry and Commerce as well as banks investing in rural development. The involvement of civil society organisations and private sector actors is indicated though not specified in the relevant programmes related to sustainable land management and forestry development, and to commodity production, irrigated agriculture and agricultural investments respectively.</p> <p>For each of the eight programmes under the ADS a number of specific measures to be implemented has been elaborated in the AMP. The plan indicates in what manner these measures will be undertaken as well as the main actors involved, thereby highlighting collaboration. Since the AMP is aimed at providing an outline of the investment programmes, details about tasks and activities of the actors involved or about implementation schedules are not specified.</p>	
<p>Appropriateness and feasibility of the indicators for impact and system for capacity improvement and accountability</p>	<p><u>Performance indicators</u> The AMS includes a presentation of the objectives, expected outcome and achievement targets for each of the eight programmes. Outcome and achievement targets are linked to the overarching goals of ADS. Targets for some of the programme may need further specification in order to allow assessment of performance during the implementation.</p> <p><u>System for accountability</u> The approach for monitoring and evaluation of the master plan is set out in the ADS. The scope and methodology of M&amp;E are defined and responsibilities for undertaking M&amp;E are assigned. Monitoring is closely related to the implementation planning of the programmes and is carried out by the planning divisions of the leading agencies being the specific MAF line departments. DOP has overall responsibility of M&amp;E of the programmes and supervises AMP programme performance and ADS goal achievements. Since AMP is a road map it does either provide operational</p>	

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	details for programme implementation or present specific data collection and analysis plans for monitoring programme performance	
Extent and quality of dialogue, (peer) review and mutual accountability system	<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-enterprise development, forestry and rural development in the uplands. The ANR SWG is chaired by MAF in partnership with MONRE and MEM. The ANR SWG has been involved in the formulating 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.</p> <p><u>Anticipated DP support to ADS implementation</u> In 2008 the ANR SWG launched the preparatory dialogue on a programme based approach for joint DP support to the GoL rural development programme for the northern uplands, paving the way for applying this approach for DP support to the implementation of the ADS and related AMP. As an important result the initial programme (NUDP) managed by the government with harmonized support of four DPs has been launched in 2010, to be scaled up and opened up for more DP in the midterm period. It is intended to strengthen the current aid coordination and monitoring mechanism within the Round Table Process for improved decision making, reinforced mutual accountability and enhanced result-oriented management. In the NUDP monitoring and evaluation functions and responsibilities rest primarily with the governmental agencies whereas GoL and DP will organise joint project reviews every six months whose outcomes help in steering the course of the programme.</p>	NUDP programme document, ANR SWG presentations, RTM and RITM reports,

