JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

MINISTRY OF AGRICULTURE AND FORESTRY THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

THE STUDY ON SMALL SCALE AGRICULTURAL AND RURAL DEVELOPMENT PROGRAM ALONG THE MEKONG RIVER

FINAL REPORT

MAIN REPORT

JULY, 2000

SANYU CONSULTANTS INC. NIPPON KOEI CO., LTD.

PREFACE

In response to a request from the Government of the Lao People's Democratic Republic, the Government of Japan decide to conduct the study on Small Scale Agricultural and Rural Development Program along the Mekong River and entrusted the study to Japan International Cooperation Agency (JICA).

JICA sent to the Lao People's Democratic Republic a study team headed by Mr. Yoshitomo Miyanishi of Sanyu Consultants Inc. to the Lao People's Democratic Republic, three times between November 1998 and January 2000.

The team held discussions with the officials concerned of the Government of the Lao People's Democratic Republic, and conducted field surveys at the study area. After the team returned to Japan, further studies were made and the present report was prepared.

I hope that this report will contribute to the promotion of the project and to the enhancement of friendly relation between our two countries.

I wish to express my sincere appreciation to the officials concerned of the Government of the Lao People's Democratic Republic for their close cooperation extended to the team.

July 2000

Kimio FUJITA

President

Japan International Cooperation Agency

Mr. Kimio Fujita President Japan International Cooperation Agency (JICA) Tokyo, Japan

Letter of Transmittal

Dear Sir,

We are pleased to submit the Final Report for the Study on Small Scale Agricultural and Rural Development Program along the Mekong River in the Lao People's Democratic Republic. The Report, which describes the fundamental framework for agricultural and rural development in the study area, is compiled reflecting the advices and suggestions for the formulation of the development plan by the authorities concerned, such as the Government of Japan and your Agency as well as the comments made by the Project Steering Committee of Lao side.

As the results of the study, although the pumping irrigation facilities are on-going under the Laotian government budget, the existence of issues and constraints in respect of organizing beneficial farmers with regards to upgrading of technical know-how on pumping irrigation, improving the agricultural finance and providing proper marketing systems and facilities for agricultural input/output, were observed.

The study team has proposed a new development approach where the selected model areas will be basically and intensively developed, the result and experiences of which will be replicated and extended to other areas. While the new approach would require participation of beneficiaries as well as capacity building of concerned staff in the governmental agencies, it is believed that the approach would greatly contribute to achieve sustainable agricultural and rural development of the study area through effective and efficient utilization of resources available internally and externally.

Finally, we would like to take this opportunity to express our sincere thanks to the Ministry of Agriculture and Forestry, Bank of Lao and Agricultural Promotion Bank, Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Fisheries of the Government of Japan, and the Japan International Cooperation Agency, especially the Advisory Committee which gave valuable and useful advice and suggestion as well as close cooperation to the study team.

Respectfully yours,

Yøshitomo Miyanishi

Team Leader of the Study Team

