

Appendix 20
Website for the Master Plan Study
on
Integrated Agricultural Development
in
Lao PDR

***First Edition of Website
(Constructed in January 2001)***

**The Ministry
of
Agriculture and Forestry (MAF)
Lao People's Democratic Republic**



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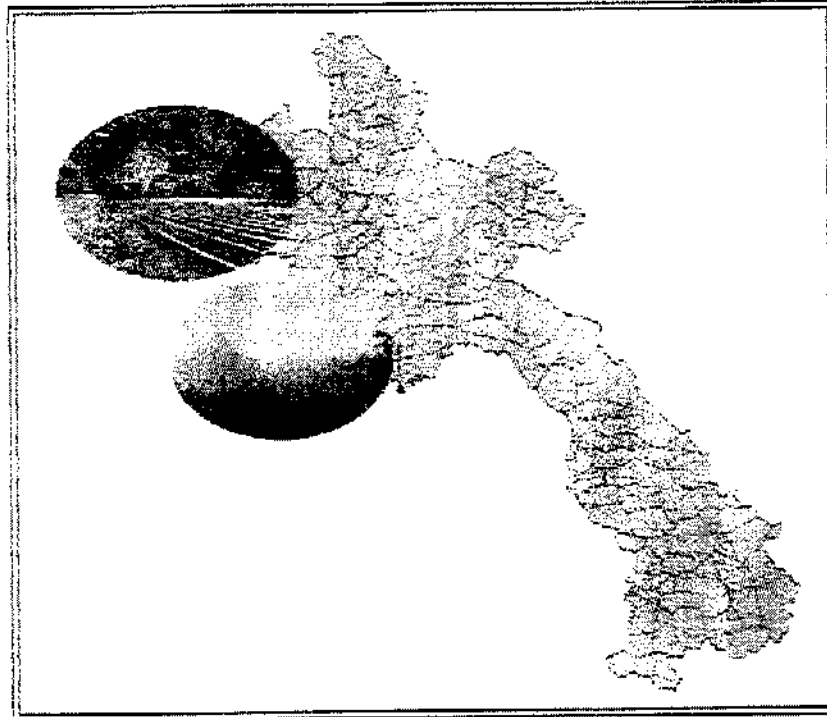
English

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Master Plan Study
ON
Integrated Agricultural Development in Lao PDR
Undertaken by Japan International Cooperation Agency (JICA)



The Study is conducted by Nippon Koei - KRI JV.

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Background and Objectives of the Study

1. Background of the Study

Lao People's Democratic Republic (Lao PDR) is occupied largely with mountainous and hilly areas giving only 4 % as its farmland, however, the country's economy is dominated by the agriculture sector, which makes up 52% of the GDP while absorbing 80% of the labor force. The GDP per capita for 1997 is estimated at approximately US\$ 400 and a number of households are depending on agriculture for self-subsistence. Since New Economic Mechanism (NEM) was introduced in 1986, Lao PDR has been in transition from the centrally planned economy to the market oriented economy. In the agriculture sector, with abolishment of the collective farm system and introduction of farmer's cultivation right for the land in 1989, the farmers could recover the right of privately managing agriculture. As Lao PDR joined ASEAN in 1997, on the other hand, the tariff on the items for agriculture, forestry and fisheries is anticipated to be sharply reduced by 2015.

The agriculture in Lao PDR is characterized roughly by three types; the dry-land rice cultivation by shifting cultivation in the north mountain region, the paddy rice cultivation along the Mekong River and the cultivation of horticulture products in the south highland region. The rice as staple food crop has relied largely on rain, and thus its yield is unstable. Moreover, the geographically mal-distribution of farmland and low productivity of rice have kept the mountainous region in chronic food shortage. Although the country is basically blessed with natural resources that are able to produce the whole nation food demand, the stable supply of rice stands difficult due to the malfunctioning of farming techniques and marketing system on the whole.

The exports of forest products including timber make up about 30% of the total exports; while shifting cultivation accounts for 37 % of the total number of households. It is said that the forest reduced by 8 % in the last 20 years, and this is caused by the large-scale deforestation for timber production and the expansion of shifting cultivation area linked with increase in population.

For the agriculture sector showing slow growth so far, GOL put an emphasis on the agricultural development among the Fourth Socio-economic Development Plan (1996-2000), and launched a development policy stressing three programs; stable food production, promotion of commercial agricultural and livestock products, and mitigation of shifting cultivation. MAF also set up the basic development policy with the above-mentioned three issues as the main themes in "Vision for Agricultural and Forestry Development until the Year 2020" ("Vision 2020"). In addition, "The Government's Strategic Vision for the Agricultural Sector" ("Strategic Vision") formulated by MAF with an assistance of the Asian Development Bank (ADB) is also recognized as the development strategy of Lao PDR, consisting of seven approaches: (i) strengthen MAF and local institutions; (ii) develop human resources; (iii) adjust internal and external business regulations; (iv) prepare environments for liberalized external trade; (v) ensure

food security and accelerate market-oriented agriculture in flat land; (vi) promote environmentally sustainable development in sloping land with stabilization of shifting cultivation; and (vii) enhance irrigation management.

These vision and strategy give a direction and a framework of the agricultural development of Lao PDR, however indicate neither specific development plans nor implementation programs to realize them. Thus, the related activities to realize these visions and strategy are the urgent needs at present.

With such a background mentioned above and upon a result of the JICA's project formulation study made in March 1999, GOL requested the Government of Japan (GOJ) to extend a technical assistance for the Master Plan Study on Integrated Agricultural Development in November 1999. In response to this request, GOJ sent a Preparatory Study Team to Lao PDR in June-July 2000. Having examined the background of the request, scope and contents of technical assistance on the Study, the Minutes of Meeting for the Scope of Work for the Study were made between the Preparatory Study Team and MAF of GOL dated June 30, 2000.

2. Objectives of the Study

The objectives of the Study are to:

- (1) formulate Action Plan (A/P) and its implementation program that contribute to more effective promotion of the agricultural development, based on the framework of Strategic Vision as the development strategy for the agriculture sector of Lao PDR, and of Vision 2020 recognized as the basic development policy;
- (2) identify priority programs and projects to be assisted by donor agencies including GOJ, through examining A/P and formulating further additional studies and implementation programs with envisaging executing agencies responsible for the implementation; and
- (3) transfer technology to counterpart personnel on investigation method, planning procedure and formulation approach for respective relevant fields.

3. Study Procedure and Work Progress

The Study will be carried out in two phases throughout two consecutive fiscal years covering the whole land of Lao PDR. In Phase I, A/P until the year 2020 is roughly formulated within the framework of Vision 2020 and Strategic Vision, having examined the development programs implemented by GL with or without assistance of donor agencies including Japan, the process and performance of administrative decentralization, the policy for transition to market economy, the present status of rural development, the agriculture and farming conditions including shifting cultivation, the rural infrastructural conditions, the environmental aspects, the social and cultural aspects etc. A/P is formulated based on examination and comments made in the first workshop inviting internal and external agencies concerned. In Phase II, the necessary supplementary data and information are collected based on A/P formulated in Phase I, and the

implementation programs for selected programs and projects until the year 2010 to be supported by donor agencies including GOJ are formulated. After the results are made into a Draft Final Report, the second workshop will be held again. The final report will be prepared based on the results of the workshop on the Draft Final Report.



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Master Plan Study on Integrated Agricultural Development in Lao PDR Concept of Sector Matrix Based Development Approach

