

3 Accomplishment of the Project

Accomplishment of the Project was measured in terms of inputs, activities, outputs and project purpose, as specified in the record of discussion, PDM, and PO of the Project.

3.1 Inputs

Inputs for the Project are summarized as below. For details, please refer to Attachment 5 and 6.

(1) Japanese side

1) Experts

In the Project, seven experts were dispatched, and the total man-months amounts to 39.80 as of August 31, 2010. Besides Chief Advisor, six experts were dispatched under the category of ODOP Planning, Business Management/Training Plan, Sales and Marketing, Quality Control/Public Relations, and Agriculture.

2) Training

Training in Japan was organized twice. The first training was held from December 4 to 20 in 2008, and the second was held from November 26 to December 13 in 2009. In total, eight participated in training in Japan; two from ERIT, two from DTPPD, two from Savannakhet DIC, and two from Saravanh DIC.

3) Provision of machinery and equipment

Most of the machines and equipment provided were for administrative purpose. Others are for pilot projects such as rice flour and rattan shoot pilot projects.

4) Local cost borne by Japanese side

Local cost borne by Japanese side as of August 2010 amounts to about 46,686 thousand yen. The cost includes construction of ODOP Promotion Center next to Savannakhet DIC building, honorarium for resource persons as technical advisors for pilot projects, cost for training courses, seminars, and study tours.

(2) Lao side

1) Lao counterpart personnel

As counterpart, officially, eight were assigned at the central level, three were assigned at DIC Savannakhet, and six were assigned at DIC Saravanh.

2) Office space and facilities for the Project

Project offices were provided at the central level in ERIT, and the provincial level in DIC Savannakhet and DIC Saravanh. Office furniture for the DICs was also provided by the Laotian side. Utility costs such as electricity and water were covered by the Laotian side as well.



3.2 Activities

Major activities implemented under the Project are summarized in the table below.

Table 1: Activities Implemented

Plan	Activities implemented
Output 1: An operational system is worked out for implementing ODOP pilot projects.	
1-1 Discuss the definition and important characteristics of ODOP	Definition and characteristics of ODOP have been discussed with related personnel at various occasions, such as kick-off meetings held in February 2009 in Vientiane and the two provinces, participated by staff in OIC, DIC, ODOP Committee and central level counterparts, JCC meetings held in July 2009 and June 2010, PR workshop held in June 2010 participated by 5 DIC staff of Savannakhet and 2 DIC staff of Saravanh provinces, and other meetings. Discussion will be further continued.
1-2 Prepare the ODOP Field Manual	To be prepared based on the result of pilot projects
1-3 Conducts baseline studies and introduction workshop/seminar/meeting	Baseline survey and introduction meeting/seminar/workshop with producers of candidate pilot projects have been conducted (For details, refer to Table 2). The activity will be continued by the end of year 2010 for some pilot projects.
Output 2: The capacity of staff and concerned personnel is developed.	
2-1 Provide training opportunities for staff and concerned personnel	Training in Japan as well as training / seminar / workshop / study tour conducted by Japanese experts and resource persons (Table 3) were organized for counterparts at the central, provincial and district levels as well as other related personnel such as lecturers of Savannakhet Vocational Training School and Director of Thasano Crop Research and Seed Multiplication Center. OJT for these staff and other personnel is on-going with the implementation of pilot projects.
2-2 Prepare training materials	Training materials, such as PowerPoint slides, recipes, small equipment for production, have been prepared and introduced to the participants and related personnel during the training/seminar/workshop/study tour and other activities.
Output 3: Developed ODOP products become marketable	
3-1 Provide support for product development to ODOP producers	Supports for product development have been provided after the identification of the target products and producers. These supports include technical support for improving the quality of the products and packaging. The activities will be continued to support product development, marketing, and business management/planning of the products.
3-2 Provide support for marketing to ODOP producers	Supports for marketing have been provided for some products depending on the level of product development. The supports include marketing at trade fairs and other events, sales promotion in the market, coordination with sales shops, and others. Please refer to Table 3 for the support and training provided.
3-3 Implement market studies	Market studies for each pilot project have been conducted based on the progress of the projects. A market survey for Lao Lao was conducted in Thailand in November 2009, and other market surveys for beef jerky, black rice, rattan basket, rice powder and banana powder in Thailand and Vietnam were conducted in February 2010. Market surveys will be continued to support the marketing of products, particularly at the east-west corridor.
3-4 Examine possible collaboration with JETRO assistance program for Lao textile products	Collaboration with JETRO assistance program will be considered based on the progress of pilot projects in the area of textile during the latter half of the project period.
Output 4: Based on the experience of pilot projects, lessons are learnt for promoting ODOP in Savannakhet and Saravanh	
4-1 Evaluate ODOP pilot projects	A small evaluation workshop will be conducted at the completion of each pilot project to discuss sustainable development of the project as well as to extract lessons. ODOP Dissemination Plan for each target province and ODOP Strategic Paper will be developed based on the experience of the project during the latter half of the project period.
4-2 Hold ODOP Seminars	Seminars to share ideas on ODOP and preliminary results of surveys on candidate products were conducted twice in June and July 2009 in the both provinces participated by the counterparts and related personnel. ODOP seminar/fair was conducted in Savannakhet in March 2010 involving four other provinces in the south. It was participated by more than 200 participants, who are officials, producers, and other public and private organizations from the southern provinces and Vientiane.
4-3 Implement study tours	Study tours to pilot project sites in Savannakhet and Saravanh Provinces will be conducted for DIC staff and other relevant personnel of other provinces to share the experiences of the Project during the latter half of the project period. The visiting sites of

the study tour will be selected from the pilot project with successful experience.

Source: Information gathered by the Review Team based on the report of the project team

Table 2: Record of baseline survey¹ and introduction meeting/seminar/workshop

No	Name of Pilot Project	Province	Objective of Pilot Project	Baseline survey & introduction meeting
1	Banana Powder	(SVK), SAR	Production of banana powder and the use for cake making and ketchup	To obtain baseline data, a small experiment has been underway from October 2009 in collaboration with concerned persons.
2	Hoi Hom	SAR	Fattening undersized snails and, if possible, raising them from egg.	To obtain baseline data, observation of the snail has been underway since December 2009 at 2 villages in Wapi District. Culturing of the snail was started in July 2010 with the cooperation from the Rice Seed Center.
3	Colorful Khao Piyak	SVK	Creation of colored Khao Piyak with natural color elements and semi-dry preservation	To be conducted in the 3rd year of the Project
4	Rattan Shoot Export	SVK	Finding out the best packing method for exporting rattan shoot	Production and market information in Savannakhet was collected. Introduction meeting with the rattan producers at Champhone District was conducted in July 2010 after the completion of trial bottling.
5	Rice Whiskey Improvement	SAR	Improve the existing production system and packaging to produce a few kinds of export quality lao lao	Baseline survey on the production and marketing of the products was conducted during May-Sep 2009 in collaboration with Saravanh DIC targeting Lao Lao producers in Khonsedone District. Introduction meeting was conducted with members of 2 local Lao Lao making groups (20 persons) and 2 Lao Lao factories.
6	Rice Whiskey from New Material	SAR	Creation of new types of lao made from sweet potato and banana	
7	Sin Sawan (Beef Jerky)	SVK	Prepare new varieties and improve the packaging, labeling and marketing	Baseline survey on the products and marketing was conducted during May-Sep 2009 in collaboration with Savannakhet DIC targeting beef jerky producers in Kaison Phomvihane District. Interested producers were identified through the tasting of imported and local beef jerky.
8	Rattan Product	SAR	New design applied for traditional rattan product and market development	Baseline survey on the products and producers was conducted during June-Dec 2009 in collaboration with Saravanh DIC and Lakhonepheng OIC. Mini-seminar to introduce the project was conducted and production group was formed with 24 members.
9	Local Cotton	SAR	The revival of a high-valued, traditional Laotian variety of cotton	Baseline survey on the producers and possibility for product development was conducted during June-Dec 2009 in collaboration with Saravanh DIC and Laongam OIC. Target village was selected and a production group was formed with 19 members.
10	Banana Fiber	SAR	Revival of all natural materials production, quality improvement, and marketing	Baseline survey on the producers and possibility for product development was conducted during June-Dec 2009 in collaboration with Saravanh DIC and Laongam OIC. Mini-seminar to introduce the project was held and a production group was formed with 19 members.
11	Ball-point Pen	SAR	Marketing of locally made wooden pens mainly for tourists	Framework of the project was discussed with DIC Saravanh and the producer in May 2009.
12	Pottery	SVK	Quality improvement of local earthy pottery production	The project was recommended by DIC Savannakhet and Atsaphone OIC. There were discussions since July 2009 with the producers

¹ The term "baseline survey" is used by the Project.

				on the product development. It took long to have a consensus among 8 producers before starting the project in May 2010.
13	Joss Stick	SVK	Quality improvement of local incense and new marketing efforts	Based on the proposal from DIC Savannakhet and Champhone OIC, there were discussion with the producers since July 2009. Based on the discussion and market observation, framework of the project was made.
14	Ancient Salt	SVK	New packaging and Marketing of local salt, targeting tourists	The product was selected to utilize 2 underground salt resources in Savannakhet (there are only 8 in Laos). Discussions with producers were held in July 2009 to start the project.
15	Natural Toothpick	SVK	Promotion of rattan spike as natural toothpicks and designing a wooden case for them	The project was formed through the discussion with DIC Savannakhet and producers of rattan based on the initial idea from Japanese experts.
16	Bottled Drink	SVK	Development of drinks in the plastic bottle (Aloevera)	Needs of the products was examined with DIC Savannakhet in May 2009. 3 producers responded positively among local drinking water providers.
17	Rice Flour	SVK (SAR)	Production of rice flour in a dry method and the use of rice flour for bread etc.	A baseline survey was conducted during May-Dec 2009 with support from Japanese advisors in collaboration with counterpart personnel at central, province, and district levels. The survey was conducted on material, production process, market, needs for improvement for the wheat and wet rice flour production method and interest in the dry rice flour production method.
18	Honey	SVK, SAR	Improvement of bottle and labeling, Improvement of honey extraction technique	Baseline survey on collection, filtering, stock technique and market was conducted during May 2009 -Jan 2010 with the support from Japanese advisor in collaboration with DIC and OIC staff of Savannakhet and Saravanh. Through the survey, target producers were identified and their interest in the project was confirmed.
19	Beeswax	SAV, SAR	Introduction of new design and marketing	Baseline survey on collection, filtering, store technique production process and market was conducted during May -October 2009 with the support from a Japanese advisor in collaboration with DIC and OIC staff of Savannakhet and Saravanh. Based on the survey, some bee's wax producers were identified and their interest in the project was confirmed.
20	Khao Khum (black rice)	SVK	Extension of quality organic Khao Khum farming with frog raising	Framework of the project was developed through market observation and discussion on the needs and production method with DIC Savannakhet and Thasano Crop Research and Seed Multiplication Center in July 2009. Producers were identified with the initiative of the Rice Seed Center and introduction meeting was held in November 2009.
21	Cricket	SVK, SAR	Introduction of culture of a large cricket among local farmers	Information for the market, culturing methods, and producers on cricket has been collected since October 2009.
22	Fermented Feed	SVK, SAR	Introduction of new fermented feed of rice bran and sweet potato powder	An experiment was started in December 2009 at Thasano Crop Research and Seed Multiplication Center.

Source: Information provided by the project team

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Table 3: Training, seminar, workshop, marketing research and study tour conducted

No	Name of Pilot Project	Name of Activity	Date	Place	No of participants	No of C/P & other staff among the participants
1	Common	Seminar for baseline survey result	2009.6.30	Saravanh	23	23
2	Common	Seminar for baseline survey result	2009.7.3	Savannakhet	37	37
3	Common	Seminar for technical support in the field of processed agricultural products	2009.7.20-24	Savannakhet/ Saravanh	10	10
4	Common	Seminar for baseline survey result	2009.8.12	Savannakhet	30	30
5	Joss Stick	Training in production and packaging	2009.10.6-7	Savannakhet	24	1
6	Local Cotton	Study tour	2009.11.1-10	Luangpraban, Sayaburi, Udomxai	2	2
7	Lao Lao	Study tour	2009.11.10-13	Vientiane, Thailand	5	3
8	Khao Khum	Tasting	2009.11.18	Rice Seed Center (Savannakhet)	12	12
9	Common	Savannakhet International Trade Fair	2009.11.28-12.3	Savannakhet	6	4
10	Beef Jerky	Study tour	2009.12.4-5	Vientiane	4	3
11	Bottled Drink	Study tour	2009.12.20-23	Thailand	5	0
12	Joss Stick	Training on production	2010.1.19-23	Joss Stick Factory in Savannakhet	25	1
13	Common	Packaging training	2010.1.25-26	Savannakhet	17	6
14	Ham/Sausage/ Bacon	Seminar on processed meat	2010.1.28	Savannakhet Vocational Training School	31	6
15	Sericulture	Training on production	2010.2.1-3	Saravanh	6	2
16	Honey	Training on production	2010.2.4-5	Saravanh	20	3
17	Beef Jerky	Marketing with sales booth	2010.2.5-7	Vientiane	2	1
18	Banana Fiber	Training on production	2010.2.9-13	Saravanh	23	2
19	Beef Jerky, Khao Khum, Rattan Basket, Rice Powder, Banana Powder	Market survey in Thailand	2010.2.15-18	Thailand	6	5
20	Beef Jerky, Khao Khum, Rattan Basket, Rice Powder, Banana Powder	Market survey in Vietnam	2010.2.17-20	Vietnam	4	3
21	Rattan Product	Study tour	2010.2.22-25	Vientiane	7	3
22	Sericulture	Observation of Sericulture Training Center	2010.2.25-27	Vientiane	2	2
23	Rice Powder	Workshop on rice	2010.3.2-3	Savannakhet	13	3

		powder bread				
24	Common	ODOP seminar/fair	2010.3.5	Savannakhet	63	58
25	Khao Khum	Training	2010.3.8-11	Rice Seed Center (Savannakhet)	14	2
26	Local Cotton	Cotton business seminar	2010.3.9	Saravanh	21	2
27	Rice Whiskey	Workshop for distillation technique	2010.3.12-16	Saravanh	2	1
28	Honey	Training on production	2010.5.18-19	Savannakhet/Saravanh	20	3
29	Pottery	Training on making brick for klin	2010.5.18-25	Savannakhet	9	1
30	Rice Powder	Business workshop	2010.6.16	Savannakhet	19	13
31	Common	Workshop on public relations	2010.6.11	Savannakhet/Saravanh	20	6
32	Banana Fiber	Training on dyeing	2010.6.28-30	Savannakhet	9	9
33	Bee Wax	Training on production	2010.7.7-8	Saravanh	18	2
34	Banana Fiber	Training on sewing	2010.7.26-30	Saravanh	20	3

Source: Information provided by the project team

3.3 Outputs

Outputs are evaluated by each indicator and other related information as follows:

Output 1: An operational system is worked out for implementing ODOP pilot projects.

Indicator 1-1. The number of staff working for ODOP pilot projects

In total, 28 staff from the counterpart agencies and other related organizations participated in 21 on-going ODOP Pilot Project. The breakdown of the 28 staff is as follows.

Table 4: The staff working for ODOP pilot projects

Agency	Number of participants
Central Level	
ERIT	2
SMEPDO	1
Related Agencies	
Savannakhet Technical and Vocational School	1
Thasano Crop Research and Seed Multiplication Center	1
Lakhonepheng Agriculture and Forest Office	1
Laongam Agriculture and Forest Office	1
DIC	
Saravanh DIC	4
Savannakhet DIC	6
OIC	
Atsaphone OIC	1
Champhone OIC	1
Kaison Phonvihane OIC	1
Khone Sedon OIC	1
Lakhonepheng OIC	1
Laongam OIC	1
Saravanh OIC	1
Vientiane Municipality DIC	3

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Wapi OIC	1
Total	28

Source: Information gathered by the Review Team based on the report of the project team

Indicator 1-2. The preparation of the ODOP Field Manual

The preparation of the manual has not been started yet. It will be developed in the third year of the project period.

Indicator 1-3. The number of baseline study and introduction workshop / seminar / training

As indicated in the Table 2, baseline surveys are being conducted or were conducted/ for all the 22 products.

The current operational framework functions at the moment in which JICA experts lead and available counterparts and personnel at the central, provincial and district levels participate. However, the quality and sustainability of the current operational framework are not ensured because the initiative of the Laotian side is limited, and the tasks or responsibilities to be performed by the central, provincial and district counterparts are not well clarified. Moreover, involvement of the ODOP Committees is limited in the current operational framework. From these reasons, more efforts need to be made to reinforce the system by clarifying the roles of counterparts and the ODOP Committees, through ODOP Field Manual, in order for the Laotian side to play a leading role.

Output 2: The capacity of staff and concerned personnel is developed.

Indicator 2-1. The number and variety of training opportunities and materials

As indicated in the Table 3, as of July 2010, 34 opportunities of training/seminar/workshop/study tour were provided to counterparts and other related personnel as well as pilot groups. As for training materials, PowerPoint slides, recipes, and other relevant equipment and materials were used.

Indicator 2-2. The number of staff members receiving training opportunity

A total number of approximately 260 ERIT/DIC/OIC staff and related personnel (excluding pilot groups) attended the above 34 opportunities of training/seminar/workshop/study tour.

Capacities of counterparts and other related personnel were developed to a certain extent through training courses and on-the-job training from JICA experts. According to the central-level counterparts, their knowledge about product development, quality improvement and marketing of products was improved. Provincial counterparts assessed that their capacities to understand the project process, including how to coordinate with districts and villages, were strengthened. Their understanding toward development and promotion of new products, how to train producers, and

how to generate income in rural areas was improved to a certain extent as well. Some provincial staff mentioned that they acquired practical skills such as collecting information, how to use internet/e-mail, and how to produce PR booklet.

However, the counterparts themselves as well as JICA experts assess that the capacity of these counterparts, especially about how to develop and generate ideas for new products as well as how to mobilize producer groups, has not reached the level where they can implement ODOP activities without JICA experts. It is desirable that their capacity be further strengthened during the latter half of the project period so that they will be able to lead ODOP pilot projects.

In addition, the absence of stable assignment of counterpart personnel in DIC Savannakhet has made it difficult to reinforce the capacity of the DIC.

Output 3: Developed ODOP products become marketable

Indicator 3-1. At least ten products are successfully marketed as ODOP products by the Project

According to the JICA experts, six products are successfully marketed (i.e. rattan product, beef jerky, cultured honey, toothpick stand, joss stick, and bread). However, as shown in the Table 5 below, since ODOP fair was the main distribution channel for rattan product and beef jerky, the Review Team considers that they have not yet reached the level of "successfully marketed." For cultured honey, its marketability needs to be reassessed in the next honey season because one of the reasons for sold-out of the honey produced last time was its limited amount of production.

Table 5: Status of distribution channel and sales of ODOP products

Product	Market/Distribution channel	Current marketing situation based on producers' report	Sales record
Rattan Product	ODOP Fair (home selling)	ODOP fair is the main sales channel although one member conducted conventional home selling. The group expressed the strong needs for new distribution channel.	Available
Beef Jerky	Fairs Café Anakot	Fair is the main sales channel. The producer expressed the needs for new distribution channel.	Not available
Cultured Honey	ODOP Fair ODOP Shop*	Sold-out in ODOP Fair and ODOP Shop due to the limited availability of honey in the last season and high popularity. Honey	Not available

		is not sold at the moment because it is not the season.	
Toothpick Stand**	Market in Phine District	Sold in Night Market (assisted by the Project) and fairs. Bought by a buyer/buyers as well.	Not available
Joss Stick	Markets in Champhone District and Savannakhet City	Distribution channel and customers were increased.	Not available
Bread	Markets in Saravanh, Selling by cart in villages	Production level, quantity of sales, profit were increased	Exact figure is not available, but rough estimation is possible

Source: Information gathered by the Review Team

*Although the shop is named “ODOP Shop”, it is not directly related to this Project.

** The information on tooth pick stand was obtained from a JICA expert.

Indicator 3-2. The production level of ODOP products

According to the survey conducted by the JICA experts, 5 products improved its production level, which are joss stick, bread, beef jerky, rattan product, and banana fiber product. (The new type of rattan products and banana fiber products were started by the Project.) Meanwhile, although the producers of joss stick answered that the production level increased, they do not keep records and do not have exact figures of production. As for the variety, the Review Team observed that the variety increased for 5 products (beef jerky, rattan product, cultured honey, wild honey, and banana fiber product).

In addition, because increase of the production level and the number of variety are not necessarily a goal for many of the pilot projects, and these indicators are not related to the status of “being successfully marketed”, it is necessary to set more appropriate indicators.

Some products started to show signs of good marketability. It is expected that the marketing activities are further reinforced for the above products as well as other new products aiming at expanding its distribution channels beyond fairs and the ODOP Shop.

Output 4: Based on the experience of pilot projects, lessons are learnt for promoting ODOP in Savannakhet and Saravanh Provinces.

Indicator 4-1. The preparation of ODOP Dissemination Plan each for Savannakhet and Saravanh Provinces

Indicator 4-2. The preparation of the ODOP Strategic Paper

Indicator 4-3. The strategy is shared with concerned personnel

Indicator 4-4. The level of satisfaction of study tour participants

As of the end of August, none of the above indicators were achieved yet. All the related activities will be conducted during the latter half of the project period.

3.4 Project Purpose

Project Purpose: Project activities are proven to be effective in promoting ODOP in Savannakhet and Saravanh Provinces.

Indicator: At least ten products are successfully promoted as ODOP products by the Project.

According to the JICA experts, “successfully promoted” signifies the condition where each product is being developed as planned. By September 2010, the Project team conducted a trial development of 29 products, and currently development of 22 products are on-going while seven had been dropped due to difficulties faced during the development phase. As of September 2010, out of the 22 products, 19 are on-track. Two products are facing serious challenges, and one product lags behind schedule.

As an additional indicator to assess the progress of the Project Purpose, the Project team adopted the satisfaction level of ODOP groups. According to the survey conducted by the Project team and targeted to 10 groups, all of them are highly satisfied with their participation in the Project. Meanwhile, the Review Team learned, through interviews with ODOP groups, that they had strong needs for more support in marketing. Although they are satisfied with the technical support on production they had received so far, it will be required to place more emphasis on marketing activities and to aim for a goal which leads to profit-making, during the remaining project period.

Meanwhile, it is necessary to point out that the indicator of the Project Purpose is not clear, and not all the project members share the common understanding about what “successfully promoted” means. Moreover, the logic between Output 3 and the Project Purpose is not appropriate because the Output 3 is not a means to achieve the Project Purpose. Thus, it is essential to sort out the logic of the project framework by the Project team.

4 Implementation Process

Decision making and communication

The language issue was raised as one of the difficulties by the both DICs. Although some Japanese experts speak Thai or Lao, it is still difficult for the counterparts to communicate with them. Provincial counterparts in the both provinces mentioned that they would like more information regarding the plan, progress and evaluation of the Project regularly. Moreover, the contents of the PDM as well as the change of the PDM were not well understood by provincial counterparts. Because the Project was led by the JICA experts, sharing of information and involvement of provincial counterparts in decision making were not sufficient.



Ownership

As explained earlier, the Project is being led by the initiative of the JICA experts. It is indispensable for the Japanese and the Laotian sides to collaborate and coordinate more closely in order to establish ownership of the Laotian side. In addition, the Laotian side needs to take the lead in supporting ODOP groups during the latter half of the project period.

5 Evaluation results

5.1 Relevance

The Project is relevant to the needs and policy of Lao PDR. It is also in line with the assistance policy of Japan.

(1) Relevance to the needs of the country and the target groups

Among the 72 districts identified as either poorest or poor in the National Growth and Poverty Eradication Strategy (2004), 7 districts belong to Savannakhet Province and 3 belong to Saravanh Province. According to the DICs in the two provinces, small-scale producers in the rural areas have limited chance to improve their production techniques or access to information regarding the market, which may increase their income. Therefore, the Project, which aims to promote income generation activities of rural producers in the two provinces through development and/or improvement of local products, meet the needs of the target groups. Moreover, while Savannakhet Province is located along the East-West Corridor, having a potential of being a hub of trade and service, Saravanh Province is more rural, having less economic activities. Selecting the two provinces with different characteristics was relevant in terms of comparing the results of the provinces, and developing a nationwide plan for ODOP programme in near future.

(2) Relevance to the Laotian and Japanese policies

The sixth National Socio-Economic Development Plan of the government of Laos, (2006-2010) emphasizes the importance of rural development by creating employment, increasing incomes and restructure rural economy through development of small-scale industries. Also, among the seven directions of the seventh National Socio-Economic Development Plan (2011-2015), two are related to the Project. In the first direction (Develop all aspects of national economy), the policy to promote small and medium enterprises and people's participation is mentioned. In the second direction (Make dynamic changes towards rural development and poverty eradication), support production of goods is raised as one of the strategies. Moreover, MoIC has adopted policy to promote ODOP programme, establishing ODOP Committee in each province. According to MoIC, the Project is listed as one of the most prioritized projects in the ministry.

The Project is also in line with the Country Assistance Program of the government of Japan for Lao PDR. Among three goals set in the Country Assistance Program for Lao PDR, this Project



falls on the second goal of assistance, which is “Support foundation building for the economic growth with a view to promoting economic growth constituting the driving force for independent, sustained growth”, and the fifth priority area among six, which is “Institutional building and human resources development for enhancing the private sector”. The policy is also reflected in JICA’s Country Assistance Strategy for Lao PDR.

5.2 Effectiveness

As explained in “3.4 Project Purpose”, since most of the ODOP products are currently being promoted as planned, effectiveness of the project approach can be observed.

During the first half of the project period, the Project focused on assisting producers through technical transfer and training courses. Frequent visits were made by the project team to each producer for follow-ups. This method was effective in development and improvement of ODOP products and reinforcement of production techniques. Creating visible products and showing successes at the early stage of the project period was effective in attracting counterparts’ interests and motivation toward the Project, and building confidence in the potential of Laos as well as the ODOP approach. Compared to this, the aforementioned project approach was less effective for development of institutional structure and capacity of counterparts. Therefore, it is desirable for the rest of the project period to shift the focus from product development to development of institutional structure.

Regarding the effectiveness of the project approach in marketing, although assisting producers to sell their products through ODOP shop or fairs has demonstrated some success, it could have been more effective if a specific distribution channel or target market is identified during the process of product development. Moreover, it was desirable if marketability and profitability of each product were estimated more vigorously together with ODOP producers along with product development. In order to expand their distributing channels during the latter half of the Project, it will be indispensable for the project team to make continuous efforts to explore new market and create a more stable distribution channel for the ODOP products. Furthermore, it is essential for the Project to encourage the producers to make sales records in order to objectively verify the effectiveness of project assistance in marketing.

5.3 Efficiency

Regarding equipment provided to the Project, although a rice milling machine was purchased for experimental purpose to produce rice flour, it has produced limited results so far since the target of the rice flour pilot project, who are bakeries, did not respond as the Project has estimated. Therefore, it is desirable that new targets are identified and the usage of the input is maximized so as to produce more substantial results during the latter half of the project period. Also, the machine should be installed in the place where it will be fully utilized, such as Savannakhet Vocational Training School, after the Project ends.



Absence of stable counterparts in Savannakhet, who were to be one of the most important inputs by the Laotian side, was one of the serious impediments of the smooth operation of the Project. As new counterparts were assigned during the Mid-term Review, it is hoped that the problem will soon be solved.

So far, eight counterparts received training in Japan regarding ODOP. They had replied that the training was effective in terms of developing their knowledge and skills, and they shared what they learned informally with other colleagues. It was desirable, though, to organize seminars or workshops, in which the participants conduct presentations on what they have learned, inviting other stakeholders of the two provinces as well as related personnel in other provinces. This way, the outputs produced by the inputs could have been maximized.

The Project made efforts to raise cost efficiency of the Project. For example, in total, 23 volunteer advisors (137 man-days) were invited from Japan and Thailand to the Project as lecturers for pilot project. Especially, utilization of Thai lecturers could maximize the inputs due to the similarity of Thai and Lao language as well as the experiences of some of the Thai experts in OTOP Project. Moreover, the Project coordinated well with a JOCV, and she acted as a coordinator for two pilot projects.

In near future, it is expected that the outputs of the Project and those of JICA tourism project², which is being implemented in Savannakhet Province, make synergistic effects. Moreover, “Roadside Stations” being built by ADB and JAIF are expected to be one of the outlets for ODOP products. It is hoped that the collaboration with those projects would enhance marketability of ODOP products.

5.4 Impact

Signs to achieve the Indicator “At least additional ten ODOP products are developed by 2015” of the Overall Goal “ODOP movement is disseminated in Savannakhet and Saravanh Provinces”, are not observed yet. The probability of fulfilling Important Assumptions for the Overall Goal, which is “The two provinces have staff specialized for ODOP and adequate operation budget” is uncertain at the moment. Regarding staff, it was notified by DIC Savannakhet, during the time of the Mid-term Review, that stable counterparts will be assigned to the Project. In Saravanh Province, because the counterparts are volunteer staff, their continuity is limited. As for budget, although MoIC has made efforts to obtain budget for ODOP, the ministry has not been successful in securing it yet. Therefore, for the achievement of the Overall Goal, it is key for the Laotian side to make efforts to fulfill the Important Assumption.

As for effects outside the provinces, the Project conducted ODOP seminar for the four provinces in the southern region. Moreover, other provinces visited the pilot project sites to learn from the Project. From these activities, it is expected that ODOP programme will be disseminated to

² The Project of Prototype of Attractive Tourism Center in the East-West Economic Corridor for Community Empowerment and Poverty Alleviation



other provinces.

In addition, the Project participated in trade fairs several times, and some products were popular and sold out. Therefore, the fairs functioned as an occasion for publicity of ODOP products and the Project.

5.5 Sustainability

Policy/institutional aspect

Though no written official document or letter is available about the government's policy to pursue ODOP and disseminate it nationwide, it is one of the most prioritized projects in MoIC according to the counterpart in the ministry. ODOP Committees are already established in some provinces because the policy to pursue ODOP nationwide is adopted. Therefore, it is likely that the political support for ODOP will continue even after the Project terminates. Toward the end of the Project, it will be necessary for the Laotian side to stipulate its policy and strategy to pursue ODOP by developing Provincial ODOP Strategic Paper together with JICA project team and authorizing it by the end of the Project.

Financial aspect

No budgetary input has been made to the Project so far from the Laotian side. It is critical that the Laotian side put more efforts to secure budget through the government or to seek for other donors or resources, such as SME fund or low interest microfinance, which can provide support for the ODOP programme.

Organizational aspect

Tasks and responsibilities of related agencies and demarcation between them regarding how to operate ODOP programme are not clear at the moment. As explained earlier, it is essential to clarify tasks to be performed by the counterparts including ODOP Committees, ERIT and other related central agencies, and DIC/OIC aiming at establishing the sustainable operational system within the government.

Moreover, it is crucial that the adequate number of counterparts be assigned to the Project, and they remain in their posts. Regarding Savannakhet Province, as new counterparts were assigned, their posts should remain unchanged at least during the project period. As for Saravanh Province, as the counterparts are volunteer staff, it is important to consider a way to retain their developed capacities in the DIC.

Capacity aspect

Capacity of counterparts needs to be strengthened to the maximum extent possible during the remaining project period at the central as well as provincial levels so that they could perform the tasks even without JICA experts.



As explained in 5.2 Effectiveness, capacities of producer groups for production were dramatically improved. In order to sustain their capacities and production activities, it will be important to place more emphasis on marketing aiming to generate more profit for them as their production activities may be ceased if the products remain unsalable.

Technical aspect

It is necessary for the project team to confirm where to place machines and equipment provided by the Project considering its operation and maintenance by the end of the Project. Also, it is important that the Laotian side can obtain spare parts, or know where to contact in case that repair is needed.

Environmental aspect

Because some of the raw materials for the products, such as rattan for rattan products and tree for joss stick making, are becoming scarce due to deforestation, the producer groups are planting seedling of these plants themselves. Although it will take time until they can harvest the plants, it is necessary for the producers to continue the efforts. Also, it is important for the Project to continuously observe the availability of the natural resources, and balance the production level.

6 Recommendation and Suggestions

Taking into consideration sustainability of the Project, the Review Team recommends actions that should be undertaken during the remaining project period as well as those that need to be undertaken as the organization to be promoting ODOP in Lao PDR.

6.1 Initiatives of ODOP groups

It is highly appreciated that many groups have become actively engaged in quality improvement and product development in the Project. However, only a few groups have recorded the production and sales results. In order that the ODOP groups are able to share information about these activities and undertake them as their own in a sustainable manner, they need to be able to make plans and to record the activities and the results. In particular, it is desirable for them to be able to develop simple business plans that include marketing plans and costing, with the support of the Project. These business plans are also useful to access finance such as the public and private banks.

6.2 Stronger involvement by the DIC counterpart members

The ownership on the part of the DIC counterpart members is still not sufficient. Some DIC counterpart members have felt that the Project has been mainly undertaken by the experts. It seems that, up to the present, the experts have devoted themselves in developing ODOP products with the groups with little time to share the whole strategies with the DIC counterpart members. During the remaining period, the ownership of DIC should be strengthened by having better communication between the experts and the DIC counterpart members.



6.3 Strengthening marketing aspect

The Project has encouraged and supported DIC and the ODOP groups in participating in trade fairs, which has been effective in raising the groups' motivation and publicity of the ODOP Project, and seeking alternative marketing channels. More efforts are needed to strengthen marketing aspect. It is expected to actively explore more sustainable marketing channels, for example, with souvenir shops in tourist spots and shops in the cities. It would be more important for the groups to obtain abilities of marketing, taking into account their capacity of production and product quality.

6.4 Securing necessary budget to support ODOP activities

Even though DIC staff members' capacities to support ODOP groups are developed, sustainability of ODOP programme cannot be achieved if budget necessary for the support activities by the staff is not secured. In addition to access to finance needed for the groups to acquire necessary equipments and run their business activities, the budget is indispensable for the staff members at the province and district levels to provide support to ODOP groups such as organizing training and monitoring their activities. Priority that is placed on ODOP needs to be reflected in the budget at the central as well as the provincial levels during the project period.

6.5 Development of the ODOP system in the provinces

Building on the success of product development and the lessons learned on the ground, the Project will place more priority on institutionalizing the ODOP support activities and develop the ODOP system in the provinces. Such a system is likely to include selection criteria of the groups to be supported by the ODOP programme as well as criteria for products to be developed. These criteria will be included in the ODOP Field Manual to be developed by the Project.

6.6 Revision of PDM and PO

The current PDM revised in June 2010 is not clear enough in terms of logic of the Project and indicators. Therefore, the Review Team suggests that the Project team and concerned parties, such as ERIT, DTPPD, and DICs further revise the PDM by referring to the draft PDM proposed by the Review Team. The PO also needs to be modified according to the revised PDM. The PDM and PO should be submitted to JCC for approval.

7. Conclusions

7.1 Project achievements

Since the beginning, the Project has placed an emphasis on developing ODOP products. It has been demonstrated that product development in the two provinces has been possible through, for example, quality improvement of existing products by technical support and development of new



designs. These activities have contributed to raising the willingness of the groups to participate in the ODOP programme. The Project has been successful in raising the ODOP's profile.

7.2 Institutionalizing the ODOP system

The Project has developed evaluation criteria of the product potential. However, the mechanism to support the groups by assessing their strengths and weaknesses in developing the products has not been sufficiently developed. When the budget is allocated to support these groups, a process will be needed to select which groups to be supported under the limited resources available. The groups' business plans will also be useful to make such decisions.

The Project has reached a turning point in shifting its emphasis from implementing pilot activities, particularly in product development, to institutionalizing the support system and further developing human resources in providing support. Such a support system will include organizations that could provide technical support, e.g. the Thasano Crop Research and Seed Multiplication Center and the private businesses that could provide necessary goods and services, e.g. packaging materials, bottles, and printing of labels. The DIC staff is supposed to act as facilitators linking these support organizations and businesses with the groups, and promote ODOP products as a whole, for example, by organizing participation in trade fairs. DIC staff could provide support to the groups, for example, in developing their own business plans. It is necessary to clarify such a mechanism by the end of the project period so that ODOP could develop further in these provinces.

7.3 From product development to marketing

Some of the products are still in the experimental stage and likely to take a long time to reach the market. The groups cannot become sustainable without achieving stable sales and securing profitability. It is time to place more emphasis on raising the groups' activities in marketing, particularly in developing stable marketing channels. The Review Team recognizes that it may be necessary to stop further development of some products in the experimental stage, under the limited time and resources of the Project.

7.4 Sustainability at different levels

The ODOP groups are generally experiencing some achievements, which has raised their willingness to continue their activities. The experts apparently devoted their efforts in demonstrating some successes in product development as early as possible in order to promote groups' participation in the ODOP programme. By doing so, it seems that less emphasis has been placed on sharing enough information with DIC counterpart members. Since the DIC staff needs to play the central role in the ODOP programme after the Project, it is essential to raise the capacities to plan and manage the ODOP activities. In addition, the roles of ODOP Committee need to be specified in order to promote ODOP by mobilizing more collaboration among concerned organizations. As such, the system needs to be developed to promote the ODOP programme.



Attachment

Attachment 1: Schedule of Lao-Japan Joint Evaluation Study

Attachment 2: Current Project Design Matrix (PDM)

Attachment 3: Suggested Draft Project Design Matrix

Attachment 4: Evaluation Grid with results

Attachment 5: Summary of Input

Attachment 6: Machine and equipment provided



**Attachment 1: Schedule of Lao-Japan Joint Evaluation Study
on One District One Product Pilot Project in Savanakheth and Saravanh Provinces**

Date			Item	Remark	Accommodation
Sep 2	Thu	AM/PM	【Evaluation Analysis】 Narita→Hanoi→Vientiane (VTE)		VTE
Sep 3	Fri	AM	▪ Attending meeting with JICA training ex-participants at ERIT	Ms. Chie TSUBONE, Evaluation Analysis	VTE
		PM	▪ Meeting with Mr. Leuam, DDG of ERIT		
Sep 4	Sat	AM/PM	▪ Move to Savanakheth from VTE (Car)		Savanakheth
Sep 5	Sun	AM	▪ Survey of ODOP Products in Savanakheth (ODOP Shop)	Ms. Chie TSUBONE, Evaluation Analysis	Savanakheth
		PM	▪ Meeting with Project Experts		
Sep 6	Mon	AM	▪ Meeting with Savanakheth DIC	Ms. Chie TSUBONE, Evaluation Analysis	Savanakheth
		PM	▪ Survey of ODOP Products 1 ▪ Survey of ODOP Products 2 ▪ Survey of ODOP Products 3		
Sep 7	Tue	AM	▪ Survey of ODOP Products 4	Ms. Chie TSUBONE, Evaluation Analysis	Savanakheth
		PM	▪ Survey of ODOP Products 5 ▪ Summarizing reports		
Sep 8	Wed	AM	▪ Summarizing reports	Ms. Chie TSUBONE, Evaluation Analysis	Pakse
		PM	▪ Move to Pakse from Savanakheth		
Sep 9	Thu	AM	▪ Move to Sarawan from Pakse	Ms. Chie TSUBONE, Evaluation Analysis	Sarawan
		PM	▪ Meeting with Sarawan DIC ▪ Survey of ODOP Products 1 ▪ Survey of ODOP Products 2		
Sep 10	Fri	AM	▪ Survey of ODOP Products 3	Ms. Chie TSUBONE, Evaluation Analysis	Savanakheth
		PM	▪ Survey of ODOP Products 4 ▪ Survey of ODOP Products 5 ▪ Summarizing reports ▪ Move to Savanakheth from Sarawan		
Sep 11	Sat	AM/PM	▪ Move to VTE form Savanakheth (Car)		VTE
Sep 12	Sun	AM/PM	▪ Summarizing reports 【Team Leader/Sub-leader】 Narita->Bangkok->VTE	All JICA team members	VTE

Sep 13	Mon	AM PM	<ul style="list-style-type: none"> ▪ Courtesy call to JICA ▪ Courtesy call to EOJ ▪ Courtesy call to Vice Minister of MoIC ▪ Team Meeting 	All JICA team members	VTE
Sep 14	Tue	AM PM	<ul style="list-style-type: none"> ▪ Meeting with Mr. Leuam, DDG of ERIT ▪ Meeting with relevant staff in central level 	All JICA team members	VTE
Sep 15	Wed	AM PM	<ul style="list-style-type: none"> ▪ Move to Savanakhet from VTE (Car) ▪ Meeting with Project Experts 	All evaluation team members	Savanakhet
Sep 16	Thu	AM PM	<ul style="list-style-type: none"> ▪ Survey of ODOP Products 1 ▪ Survey of ODOP Products 2 ▪ Meeting with Savanakhet DIC ▪ Move to Pakse from Savanakhet 	All evaluation team members	Pakse
Sep 17	Fri	AM PM	<ul style="list-style-type: none"> ▪ Move to Saravan from Pakse ▪ Meeting with Saravan DIC ▪ Survey of ODOP Products 1 ▪ Survey of ODOP Products 2 ▪ Move to Savanakhet from Saravan 	All evaluation team members	Savanakhet
Sep 18	Sat	AM/PM	<ul style="list-style-type: none"> ▪ Move to VTE from Savanakhet 		VTE
Sep 19	Sun	AM PM	<ul style="list-style-type: none"> ▪ Team Meeting ▪ Preparing M/M (draft) 	All JICA team members	VTE
Sep 20	Mon	AM PM	<ul style="list-style-type: none"> ▪ Discussing M/M (draft) ▪ Modifying M/M (draft) 	All evaluation team members	VTE
Sep 21	Tue	AM/PM	<ul style="list-style-type: none"> ▪ Discussing M/M (draft) ▪ Modifying M/M (draft) 	All evaluation team members	VTE
Sep 22	Wed	AM PM	<ul style="list-style-type: none"> ▪ Signing M/M ▪ Report to EOJ ▪ Report to JICA ▪ 【Leader/Evaluation Analysis】 ▪ VTE→Hanoi 	All evaluation team members	Bangkok
Sep 23	Thu	AM/PM	<ul style="list-style-type: none"> ▪ 【Leader/Evaluation Analysis】 ▪ Hanoi→Narita ▪ 【Sub-Leader】 ▪ VTE -> Hanoi 		

New PROJECT DESIGN MATRIX (PDM)

Project name: One District One Product Pilot Project in Savannakhet and Saravanh Provinces

Duration; Dec 2008 - Dec 2011, 3 years

Project Area; Savannakhet and Saravanh Provinces

Target Group; Provincial and District personnel on ODOP, and ODOP pilot producers in each district

Version 2

Date: As of 3/June/2010

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
Overall Goal ODOP movement is disseminated in Savannakhet and Saravanh Provinces	At least additional ten ODOP products are developed by 2015	Reports from the two provinces	
Project Purpose Project activities are proven to be effective in promoting ODOP in Savannakhet and Saravanh Provinces	At least ten products are successfully promoted as ODOP products by the Project	Report from the Project	The two provinces have staff specialized for ODOP and adequate operation budgets
Outputs 1 An operational system is worked out for implementing ODOP pilot projects	1 The number of staff working for ODOP pilot projects 2 The preparation of the ODOP Field Manual 3 The number of baseline study and introduction workshop/seminar/meeting	Report from the Project	The ODOP staff of the two provinces stay in the same position.
2 The capacity of staff and concerned personnel is developed.	1 The number and variety of training opportunities and materials 2 The number of staff members receiving training opportunity	Report from the Project	
3 Developed ODOP products become marketable	1 At least ten products are successfully marketed as ODOP products by the Project 2 The production level of ODOP products	Report from the Project	
4 Based on the experience of pilot projects, lessons are learnt for promoting ODOP in Savannakhet and Saravane Provinces	The preparation of ODOP Dissemination Plan each for 1 Savannakhet and Saravane Provinces 2 The preparation of the ODOP Strategic Paper 3 The strategy is shared with concerned personnel 4 The level of satisfaction of study tour participants	Report from the Project	
Activities 1-1 Discuss the definition and important characteristics of ODOP 1-2 Prepare the ODOP Field Manual 1-3 Conducts baseline studies and introduction workshop/seminar/meeting 2-1 Provide training opportunities for staff and concerned personnel 2-2 Prepare training materials 3-1 Provide support for product development to ODOP producers 3-2 Provide support for marketing to ODOP producers 3-3 Implement market studies 3-4 Examine possible collaboration with JETRO assistance program for Lao textile 4-1 Evaluate ODOP pilot projects 4-2 Hold ODOP Seminars 4-3 Implement study tours	Inputs: 1) Japanese Side 1.1 Chief advisor 1.2 ODOP planning 1.3 Business Management 1.4 Sales and Marketing 1.5 Quality Control 1.6 Agro-Processing 1.7 textiles technique 2. Training 1) Technical Training in Japan 3. Machinery and Equipment 1) Office Equipment 2) Vehicles 2) Lao PDR Side 1. Lao counterpart personnel 1.1 Project Director 1.2 Project Manager 1.3 Provincial Project Managers 1.4 Counterparts 2. Office Space and Facilities for the Project 3. Operational cost for the Project implementation		Preconditions

Project Name: The One District One Product Pilot Project in Savannakhet and Saravanh Provinces

Implementing Agency: Ministry of Industry and Commerce (MoIC)

Target Area: Two (2) districts in Savannakhet Province and Saravanh Province respectively

Cooperation term: three (3) years from December 2008

Target Group: Provincial and District personnel on ODOP, and a few ODOP pilot producers in each district

PDM ver. 0.7

Narrative Summary	Verifiable Indicators	Means of Verification	Important Assumptions
Overall Goal: ODOP movement is disseminated in Savannakhet and Saravanh Provinces.	Indicator will be set based on the baseline survey after the commencement of the project. (Ex. Number of pilot producers that implemented ODOP activities in Savannakhet and Saravanh provinces.)	Provincial report	
Project Purpose: Activities to disseminate ODOP are verified in the target area of Savannakhet and Saravanh provinces.	Indicator will be set based on the baseline survey after the commencement of the project. (Ex1. Number of pilot producers who were selected as pilot producer) (Ex2. Number of villages where ODOP was implemented.)	Project reports	Staff in charge of ODOP are disposed and recurrent cost is continually ensured.
Outputs: 1. Implementation system for ODOP pilot project is institutionally formed.	1. Appropriate disposition of staff for provincial ODOP committee and ODOP implementation 2. Preparation of ODOP manuals 3. Number of screened ODOP products	Project reports	Pilot producers implement the ODOP continually.
2. Capacity of staffs who are in charge of ODOP is developed.	1. Number of staffs who received the training 2. Training programs and training materials	Project reports	
3. Produced ODOP products are sold in the newly developed markets.	1. Number of the pilot producers who received the training for promoting ODOP understanding 2. Number of the pilot producers who accept and implemented the advice 3. Quantity of products	Project reports	
4. Dissemination system of ODOP is prepared in Savannakhet and Saravanh provinces.	1. Approval of ODOP dissemination plan 2. Number of the training received staffs in charge of ODOP dissemination 3. Number of study tour and the participants	Project reports	
Activities: 1-1. DPTP and ERIT prepare selection criteria and screening process for ODOP products. 1-2. DPTP and ERIT prepare ODOP manuals. 1-3. DICs of Savannakhet and Saravanh provinces examine organizational management in detail. 2-1. The project provides the training for the central ODOP staff in DPTP and ERIT. 2-2. DPTP and ERIT prepare training programs and materials for local government personnel. 2-3. DPTP and ERIT train provincial and district personnel on promoting ODOP movement. 3-1. DICs of Savannakhet and Saravanh provinces conduct the baseline survey. 3-2. DICs of Savannakhet and Saravanh provinces select the target areas and target products for pilot project. 3-3. DICs of Savannakhet and Saravanh provinces provide the training for pilot producers to deepen the understanding for ODOP. 3-4. DICs of Savannakhet and Saravanh provinces give advices to pilot producers on ODOP implementation for example systematization, marketing, quality control, funding, exhibition and sales. 3-5. The project supports DICs of Savannakhet and Saravanh provinces exploit markets including surrounding countries. 3-6. The project supports to examine collaboration with Chai Lao which was implemented by JETRO in case that textiles are selected as pilot products. 4-1. DICs of Savannakhet and Saravanh provinces examine ODOP dissemination plan. 4-2. DICs of Savannakhet and Saravanh provinces prepare ODOP dissemination system based on ODOP dissemination plan. 4-3. DPTP and ERIT review the selection criteria and screening process of ODOP and ODOP manuals. 4-4. DICs of Savannakhet and Saravanh provinces provide training for staff in charge of ODOP dissemination. 4-5. DICs of Savannakhet and Saravanh provinces conduct study tour for candidates to pilot producers. 4-6. DPTP and ERIT examine the method to spread ODOP to other provinces.	Inputs: 1) Japanese Side 1. Experts 1.1 Chief advisor 1.2 ODOP planning 1.3 Business Management 1.4 Sales and Marketing 1.5 Quality Control 1.6 Agro-Processing 1.7 textiles technique 2. Training 1) Technical Training in Japan 3. Machinery and Equipment 1) Office Equipment 2) Vehicles	Inputs: 2) Lao PDR Side 1. Lao counterpart personnel 1.1 Project Director 1.2 Project Manager 1.3 Provincial Project Managers 1.4 Counterparts 2. Office Space and Facilities for the Project 3. Operational cost for the Project implementation	Preconditions