

# Annual Report 2017—Draft approved 27 September

**Name of Sector Working Group:** Sector Working Group on Agriculture and Rural Development

**SWG Chair:** H.E. Dr. Phouang Parisak Pravongviengkham, Deputy Minister of Agriculture and Forestry

**SWG Co-Chairs:**

H.E. Mme. Claudine Ledoux, Ambassador of France

Dr. Stephen Rudgard, FAO Representative

**SWG Secretariat Focal Points:**

- **Government Officials:** Mr. Xaypladeth Choulamany, Director-General Planning and Finance
- **Development Partners:**  
Matthieu Bommier, AFD Representative  
Michael Jones, Policy Officer, FAO

**Technical Supporting Staffs:**

- Government Officials: Dr. Phommy Inthichack, Director Division of International Cooperation, MAF
- Development partners: Mr. Chanthalath Pongmala, Deputy FAO Representative

## I. Overall progress towards sectoral outcomes and results

The SWG-ARD has undergone major restructuring this year, aligning with similar restructuring within the Ministry of Agriculture: adding a new SSWG—Rural Development—and bringing the SSWG-Forestry back into ARD. The first of these has finalized its structure and TOR while the second has been active in supporting discussion of many issues in the forestry sector. The SSWG Agro-biodiversity (ABD) and Farmers and Agri-business (FAB) remain active. The SWG membership approved a revised TOR which features the SDGs and the revised Vientiane Declaration. The SWG continues to be chaired by the MAF Deputy Minister and co-chaired by France and the FAO.

The SWG-ARD held discussion on a variety of specific topics that contribute to the RTIM proposed topics for special dialogue, including the following.

*LDC graduation and SDC integration:* the SDG's have been integrated within the SWG objectives and reporting framework. The SWG meetings include frequent discussion of nutrition-sensitive agriculture, a major contribution of the sector towards realizing the criteria for LDC graduation.

*Realizing quality private sector investment for development:* The Chair of the SWG has pushed this agenda to the front during discussion in both meetings, reflecting the importance and challenges. The various SSWGs also report on dialog supporting improved approaches to promoting the quality of investment needed to realize national goals. Specific presentations deal with elements of the topic: contract farming, and agro-biodiversity and pesticide use. A number of civil society members of the SWG put together a publication, Voluntary Commitments for Responsible Agribusiness in Lao PDR, based on the OECD/FAO Guidance for Responsible Agriculture Supply Chains, published in 2016.

*Investing in Skills for Human Development:* The SSWG-FAB has built a large discussion around involving youth in agriculture through improved opportunities for learning and applying

advanced skills. The sector's World Food Day agenda included addressing migration through improved support for rural development and opportunities to engage more advanced technologies and modernization in rural areas, including agriculture and other sectors.

## II. Overview of Sector Performance in 2017

Sector outputs and activities	Progress	Challenges and opportunities
<b>A. Thematic (substantive) areas</b>		
<b>1. Actions/activities relating to the RTM/RTIM recommendation /discussion points</b>		
1.1 Sector Working Group	<p>The SWG has supported dialog on the following focus areas:</p> <ul style="list-style-type: none"> <li>-4.02: Multi-sectoral approach to managing livestock disease outbreaks to reduce the economic and potential health impact on people.</li> <li>-4.03: Research into the policy, practice, and impact of contract farming found opportunity for improved frameworks and understanding to improve the impacts.</li> <li>-4.04: studies and discussion about the impact of growing pesticide use across the country, the evidence of impact on human health, the need for greater regulation and oversight, and the use of farmer field schools to inform and improve practices.</li> <li>-5.02: Rural Finance: use of diverse financial services to reach the 45% of Lao population distant from banks and ATMs.</li> <li>-9.08: Use of farmer field schools to promote application of integrated pest management.</li> <li>-7.01: discussed the support to sub-national coordination, planning, reporting capacities for NSA within the NNS-PA.</li> <li>-7.03: discussed technical support to NSA services</li> <li>-7.07: Integrating FS &amp; N concepts into sub-national planning and reporting practices.</li> <li>-7.08: Discussed place of nutrition sensitive agriculture as a cross-cutting theme for discussion within all SSWG and SWG meetings.</li> <li>-7.09: revised impact pathway for NSA to address both accessibility and fit within larger monitoring of consumption.</li> <li>-7.12: Developing an M&amp;E system for NSA to integrate with the NPIN.</li> </ul>	<p>A continuing theme for the SWG will be the work to balance policy, services, and investment across the sector to realize both overall food security goals and local need for nutrition: balancing commercialization with nutrition. This will be pursued through policy dialog, and sub-national planning and M&amp;E systems, and will rely on partnership with many agriculture-related ODA projects.</p> <p>There remains a strong need to improve the framework for engaging private sector in agriculture: improved contract farming legal setting; regulating the use of pesticides, better support to farmers (and FOs) engaging with value chains, promotion of high-value value chains; etc.</p>
1.2 Sub-Sector Working Group on Agrobiodiversity (ABD)	<p>The SSWG has addressed RTM Focus Areas as follows:</p> <ul style="list-style-type: none"> <li>- 4.04: developed recommendations on the reduction of pesticide use in the promotion of agro-ecological practices.</li> <li>- 7.08: considered use of agrobiodiversity for nutrition in the form of aquatic resources and NTFP</li> </ul>	<p>The SSWG will address the areas of germplasm-related policies (crops and livestock) including the use of native varieties and breeds (Focus Area 4.02); development of agro-ecological practices including conservation agriculture and associated topics (Focus Area 4.04); the role of the private sector in</p>

Sector outputs and activities	Progress	Challenges and opportunities
1.3 Sub-Sector Working Group on Farmers and Agribusiness (FAB)	<p>The SSWG has addressed RTM Focus Areas as follows:</p> <p>4.02 Providing platform for the voice of small producers (eg . representatives of Lao Farmer Network)</p> <p>4.03 Commissioning and disseminating value chain studies</p> <p>4.04 Sharing data about pesticide use and contamination of the food system, and cases of sustainable agriculture.</p> <p>5.02 Sharing of studies and guidelines for strengthening farmer organisations and promoting rural entrepreneurship</p> <p>7.08 Dissemination of nutrition training and extension materials</p> <p>9.08 SSWG members are contributing through their own projects and programmes</p>	<p>conservation and sustainable use of Agrobiodiversity (Focus Area 9.8)</p> <p>Growing concerns regarding food safety could affect agricultural trade in addition to health of domestic producers and consumers. In response, the SSWG will give more attention to capitalizing experience with agro-processing, testing and certification.</p> <p>The issue of rural youth has also moved onto the agenda for this SSWG. Agribusiness involves job creation not just commodity production. Thus the role of SMEs in the sector deserves more attention.</p>
1.4 Sub-Sector Working Group on Forestry (F)	<p>The SSWG has addressed RTM Focus Areas as follows:</p> <p>4.04: is considered a potential intervention to address crop land expansion into forest area in draft National REDD+ Strategy (NRS)</p> <p>4.06: is considered a very important condition for forest protection in draft NRS</p> <p>9.1: is on-going and SSWG-F listed to report on its progress</p> <p>9.2: is continuously addressed through implementation of PM Order 15 issued in May 2016 and its implementing regulations. In addition negotiation with EU on Voluntary Partnership Agreement of FLEGT is also going on.</p> <p>9.7: land/forest use map in 2015 is completed.</p> <p>9.9: REDD+ readiness preparation is on-going and Emission Reduction Program Document is being drafted for the Carbon Fund of Forest Carbon Partnership Facility administered by WB.</p>	
1.5 Sub-Sector Working Group on Rural Development (RD)	SSWG-RD is just now coming operational.	
1.6 Policy Think Tank	<p>The PTT conducted evidence-based research in partnership with various agencies and institutions to inform decision-making and provide policy recommendations on issues related to several outcome areas:</p> <p>-4.02/4.03: Commercial banana plantations and contract farming</p> <p>-4.04: NTFPs: sustainable benzoin</p>	<ul style="list-style-type: none"> <li>• Efforts and assistance need to be pulled for supporting a smooth function of the improved organizational structure.</li> <li>• Coordination mechanism should be agreed among the identified three layers of evidence-based policy formulation process.</li> </ul>
<b>2. Other substantive actions/activities</b>		
2.1 Sub-Sector Working Group on Forestry (F)	Parallel preparation of NRS, REL for UNFCCC and ERPD maintains consistency and more efficient than separate preparation. Through preparation and implementation of NRS and ERPD/PRAP, human and	<p>Very tight schedule together with Ministerial restructuring and Forest Law revision</p> <p>Many activities are cross-sectoral from land use planning to</p>

Sector outputs and activities	Progress	Challenges and opportunities
	institutional capacity development for sustainable forest management. Possible results based payment: Carbon Fund; up to \$ 40 M, UNFCCC/GCF; ?	agriculture and mining and need good coordination Limited financial resources for implementation of NRS and ERPD/PRAPs Scaling-up to the whole country
2.2 Policy Think Tank	Structure of the evidence-based policy formulation process has been improved and streamlined in the MAF's structure. Mandate and responsibility have been clearly identified as part of the MAF's revised organizational structure especially the mandate and functions of the new Department of Policy and Legal Affairs and Policy Research Center at NAFRI.	Limited or lack of qualified and experienced researchers to respond to needs for policy research on various topics. Strengthening researchers network is key to achieved objective of evidence-based policy formulation process. However, developing research network with other research institutes and development projects is key to help moving the policy research agenda.
<b>B. Communication and outreach activities with the sector and across Sector Working Groups</b>		
1.1 Sector Working Group	The SWG-ARD uses the following shared folder to disseminate agendas, minutes, and presentations for its general meetings: <a href="https://drive.google.com/drive/folders/0BzTaYIoitEIHdWtBdzg1UFhtZ2c">https://drive.google.com/drive/folders/0BzTaYIoitEIHdWtBdzg1UFhtZ2c</a>	The SWG is in negotiations with several service providers for redesign and hosting of the sector web site. Costs at the preferred hosting service became prohibitive and performance was inconsistent.
1.2 Sub-Sector Working Group on Agrobiodiversity (ABD)	The SSWG is developing a concept for a Lao Agrobiodiversity Portal to highlight the importance of this area for sustainable development of Lao PDR.	The Portal will become an asset for the entire agricultural community, to access information and share knowledge and experiences.
1.3 Sub-Sector Working Group on Farmers and Agribusiness (FAB)	The SSWG continues to provide the biggest online information services for development workers in Laos: LaoFAB (with 4,444 members and 2,972 documents), and Lao44 (Lao Language).	N/A
1.4 Sub-Sector Working Group on Forestry (F)	FSSWG meetings are open and private sector and CSOs participate. FSSWG has been an important GOL-DP consultation forum on important REDD+ issues including REDD+ readiness and FCPF process	Forestry sector is very diverse and difficult to cover its all sub-sectors in meetings. Lao REDD+ web-site is under construction
1.5 Sub-Sector Working Group on Rural Development (RD)	The SSSWG is just now becoming active.	
2.3 Policy Think Tank	As an output of the policy research, research findings report, synthesis and policy briefs were published and disseminated to stakeholders.  NAFRI's library is well known among university students to access information on agriculture and forestry sector.	MAF's websites including NAFRI and SWGARD are considered an important platform for information and knowledge sharing. Furthermore, all publications should shared with NUoL and colleges
<b>C. Partnership for Effective Development Cooperation (in accordance to VDCAP 2016-2025) (Narrative on each principles)</b>		

Sector outputs and activities	Progress	Challenges and opportunities
1. Greater aligning and tailoring development finance to the national development agenda and context through results-based planning practices.	The Focus Areas developed under the Roundtable Mechanism were adopted by the SWG-ARD from January 2017, and are now used systematically to structure planning and reporting. All development partners now recognize these results areas as being priorities for the Government, in relation to the NSEDP and other sectoral strategies and plans.	There is room for improvement in the process of alignment of development support, subject to the further engagement of Government agencies and Development Partners.
5. Adopting Programme-Based Approaches (PBAs) and Sector Wide Approaches (SWAp) to support the implementation of the NSEDPs including SDGs	The most recent Programme-based approach to have been adopted in the ARD Sector was the Northern Upland Development Programme (NUDP), which closed in March 2016. The continuation of the NUDP has been financed by only one Development Partner. No SWAp has been adopted in the ARD sector.	There are no prospects for adoption of PBAs or SWAp in the ARD sector.
6. Under Government leadership, providers of development cooperation coordinate their strategies and actions, simplify procedures vis-à-vis the Government and enhance collaboration to avoid duplication.	Development partners have been designing and structuring their support to address priorities identified by the Government agencies in the sector, and the SWG-ARD process has fostered synergies between their programmes where appropriate.	Systematic gathering of intelligence on future programming of development partners will be difficult to implement.
8. Evolution of the Round Table Process - moving towards greater partnership for effective development cooperation	The SWG-ARD has fostered an approach that promotes policy dialogue on a wide range of strategic questions and challenges arising around development programming in the sector, stimulated by evidence gathered from specific studies and ongoing priority programmes supported by development partners.	This approach can be further developed to develop even closer links between the policy debate and programming challenges.
13. Improving understanding on the nature and modalities of south-south cooperation partners and their significant participation in development cooperation management through a clear coordination and reporting mechanism	There are many examples of South-South collaboration with ASEAN and regional partners in the ARD Sector, with many such links also fostered by international development organizations in tripartite partnerships.	SSC linkages could be monitored periodically in a more systematic way if that was felt to be valuable.
14. Improving engagement of private sector in national and provincial development planning and coordination, including the implementation, reporting and oversight of development results and outcomes through a proper analytical framework/mechanism.	There has been no organized or structured approach to increase the engagement of private sector stakeholders in the SWG-ARD process, although many such stakeholders do participate actively.	A more structured process of engaging private sector stakeholders in the SWG-ARD could be explored, with the assistance of the LMCCI, starting with an informal consultation to explore opportunities and areas of potential mutual interest.

## RTM Focus Areas to be addressed by SWG-ARD

Follow-up Number	Activity Name	Comment	SWG-ARD	SSWG-FAB	SSWG-F	SSWG-ABD	SSWG-RD
<b>FOCUS AREA I: Macroeconomic Management and Inclusive and Sustainable Growth</b>							
4	<b>Agriculture</b>						
4.01	Modernize the agriculture sector						
4.02	Improve the agricultural productivity-- improve the value of agricultural products, and inclusive benefits at all stages of the value chain.						
4.03	Ensure trade expansion in agriculture products and develop agricultural value chains, contract farming and inter-professional organizations (such as for the coffee sector)						
4.04	Promote agro-ecological practices (at national and regional level) such as organic farming, conservation agriculture and agro-forestry						
4.05	Ensure a better linking the sector to climate change resilience						
4.06	Ensure Land Tenure Security	Led by SWG-NRE					
5	<b>Increased Investments to the Priority Sectors</b>						
5.02	Enhanced productive capacities in rural areas through support for agriculture development and rural infrastructure						
5.03	Accelerate infrastructure development, budget for and carry out periodic maintenance						
<b>FOCUS AREA II: Social Sector and Human Development</b>							
7	<b>Food and Nutrition Security</b>						
7.01	Improve coordination, structure and enhance capacity of Food and Nutrition Security Secretariat at both central and local levels						
7.03	Enhance delivery and quality through extension of FNS activities to provinces, districts, and communities						
7.06	Develop a concept note on how to link FNS to climate change and forest coverage and strengthen DDMCC in its capacity to implement climate change mitigation / adaptation programs						
7.07	Enhance structure and integrate FNS in sub-national level [mapping, P/D nutrition committees, district planning]						
7.08	Clarify the place of FNS in all SWGs (i.e., mainstreaming FNS into SWGs)						
7.09	Consider food accessibility and consumption in addition to availability						

7.10	Better consider the impact of infrastructures on MDG1-poverty reduction						
7.11	Involve private sector for the implementation of the FNS convergent action plan						
7.12	Create FNS M&E framework that builds on existing structures at national and sub-national levels						
7.13*	Apply the convergent approach centrally and sub-nationally to addressing malnutrition: planning, funding, programming, monitoring, evaluation, and reporting. (Includes integration with private sector where appropriate)						
7.14*	Improve data management and analysis to inform central and sub-national policy, programming, targeting, planning, and feed into multi-sectoral behavior change programs						
7.17*	Build evidence and understanding to better apply the convergent approach to addressing malnutrition, including learning from civil society experience.						
<b>FOCUS AREA III: Green Growth, environmental sustainability, climate change, and disaster management</b>							
<b>9 Green growth, climate change, and disaster preparedness</b>							
9.1	Complete the forest law and its regulations						
9.2	Improve enforcement of policies against illegal use of natural resources and wildlife trafficking						
9.6	Conduct a survey for data collection, land allocation, zoning, and land classification	Led by SWG-NRE					
9.7	Develop geographical map and master plan for managing, protecting, developing, and using land and natural resources	Led by SWG-NRE					
9.8*	Pursue green growth, through clean agriculture, locally adapted, with multi-sector engagement and partnerships with private sector actors	MPI is focal point					
9.9*	Support climate resilience, apply multi-sector approaches, engage private sector actors, maximize efficiency, include REDD+, National Determined Contribution and the Paris Agreement.	Led by SWG-NRE					

**Key**

Orange: existing follow-up action
Green: new follow-up action

Grey, light: suggested area of responsibility for SSWG
Grey, dark: Only SWG responsible