

SWG reporting

Name of Sector Working Groups: Agriculture and Rural Development (SWG-ARD)

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Overview of Sector Performance in 2019

The agricultural sector will remain critical for meeting the country's aspirations related to poverty reduction and inclusive growth. The sector accounts for nearly 70 percent of total employment and over 60 percent of expenditure for low-income groups. For the near future, agriculture will still be the primary source of income and livelihoods for the majority of people—many of whom remain at a subsistence level. Reducing poverty and more widely sharing the gains of development requires measures to help this population increase productivity, become more commercially-oriented, and better connect to markets.

Sector outputs and activities	Progress	Challenges and opportunities
A. Sectoral thematic areas		
Economic Development - Discussion Point 1 – Structural economic transformation toward sustainable, long-term, and green growth – targeting non-resource-based diversification.		
1. Improving the business environment and increasing agricultural productivity	<p>Actions to promote agricultural productivity. The Government launched important actions that have positively affected the sector. It has targeted, for example, commodity production and commercialization along with more sustainable practices guided by the Green Extension. Recent years have also seen increased private sector involvement that has made many farming communities more food secure through investment in new products and value chains. But some private investment in the agriculture, forestry, and spill overs sectors (such as mining and hydropower) has also at times brought negative environmental and social impacts on rural communities. These include possible loss of access to resources by local communities (e.g., encroachments into cultivated areas or forests) and damages to the environment. Intensive monocropping with a considerable level of chemical use, for example, of cassava, maize, banana, eucalyptus, rubber, as well as intensive livestock pig/poultry production results soil fertility loss, erosion, spread of diseases (due to reduced biodiversity) and ultimately loss in productivity. The policy framework of the Ministry of Agriculture and Forestry (MAF) has been consequently reinforced to address these issues.</p>	<p>Opportunities and challenges for agricultural growth. There is great potential for strengthening the agricultural sector in Lao PDR. The country is less dense than most of its neighbours and enjoys a relatively large area for cultivation. By some measures, agro-ecological conditions in Lao PDR are also among the most favourable in Asia. But the sector is also constrained by limited investment, both public and private. Lao PDR also has the highest level of renewable water resources available per unit of agricultural land in Asia but irrigation coverage is low. Input and output markets remain fragmented and underdeveloped. The access to credit is limited as well. Investment in research and extension to underpin agricultural innovation could also be increased. Finally, most farmers operate without legally recognized land-use rights, widespread urbanization, and the rural exodus to cities of young people has increased the labour shortage in the agriculture sector.</p> <p>Natural disasters and farming. Progress has also been affected by natural disasters, and the impact of these has been worsened by poorly-functioning early-warning systems and response mechanisms,</p>
2. Strengthening non-farm rural job creation and productivity		
3. Accelerating productivity in the agriculture section including through further implementation of the Agriculture Development Strategy 2020. Specific initiatives include improving agricultural production infrastructure, upgrading technology, strengthening farmers’ associations, improving irrigation systems, and improving access to inputs.		
4. Continue support for farmers’ organization, rural finance, insurance mechanisms to improve productivity, equity, and resilience through modernization.		

Sector outputs and activities	Progress	Challenges and opportunities
<p>5. Implement strategies for strengthening youth participation in agriculture activities</p>	<p>The Government also continues to support maximizing the commercial value of Lao products, both internationally and domestically, by emphasizing quality production that builds on Lao PDR's unique assets and through certification (e.g., organic, fair trade, geographical indication). Khao Kai Noy was the first registered geographical indication commodity in the country. The application of Bolaven Coffee as the next geographical indication was submitted in 2019.</p> <p>Role of infrastructure and information. Critical economic infrastructure improvements have helped increased value chain development and economic opportunities, including strengthened information, communication technologies and improved transport networks. Though, as mentioned, further investment and attention is critical in this area. Similarly, the lack of access to rural advisory services, relevant and up to date information, and micro and small-scale credit options continues to hinder the growth of smallholder farmers into modern farmers.</p>	<p>including the availability access to crop insurance. For example, a locust outbreak seriously affected 402 villages in 24 districts across 5 provinces, with a loss estimated at 53 billion kip. Late 2017 also saw an Avian Influenza outbreak in 4 districts of 3 provinces (Vientiane Capital, Xaysomboun, and Champasak) and a loss of at least 22,000 chickens. Flash floods and landslides have also been on the rise, events exacerbated by intensive mono-cropping.</p> <p>Investing in skills. Young people involved in agriculture need to be provided with greater opportunities for learning and applying advanced skills. This is the key to addressing rural to urban migration and promoting advanced technologies and modernization of agriculture in rural areas.</p> <p>Other challenges to increased production. Finally, flora depletion remains a high risk due to overharvesting, unregulated export to neighbouring countries, and improper agrochemical import and use. These practices impact producers' health (especially women), reduce productivity (as soils and other ecosystem services are compromised), and pollute the natural environment (especially down-stream riparian systems). Ethnic groups mostly living in the uplands are still struggling with staple food shortage and rely on forest and waters to meet their food needs.</p>

Sector outputs and activities	Progress	Challenges and opportunities
Social Development - Discussion Point 8 (Human capital development and poverty reduction), Discussion Point 10 (Talking rural poverty and inequalities), Discussion Point 11 – Determined perseverance to address food insecurity and malnutrition.		
<p>1. Development and implementation of the national rural employment strategy to promote decent livelihood and rural productivity</p>	<p>Strategies. The government’s drive to expand rural infrastructure, roads and services have led to poverty reduction in these areas, enhancing market access for agricultural produce and improving livelihood opportunities. Another strategy to alleviate rural poverty is to promote entrepreneurship and production facilities in rural areas, encourage agglomeration economies, especially the development of small towns in rural areas, and promote rural employment and income-generating activities for poor and vulnerable households. The strategy aims to strengthen local capacities through implementing the Three Builds Directive, improve and strengthen provincial, district and village-level capacities, promote transparency and strong leadership, and strengthen solidarity and harmonization among different ethnic groups.</p> <p>Rural poverty reduction. The implementation of rural development and poverty eradication strategy over the past two and a half years has made good progress (Table 2.1). Overall, 7 districts, 206 villages, and 11,359 families formerly classified as “poor” by the Department of Rural Development and Cooperatives¹ have escaped from the poverty category. Poverty is still a challenge as some previously non-poor districts have fallen into poverty.</p>	<p>Inequities. Disparities remain and inequality has even increased in some cases. The poverty rate in rural areas is 2.9 times that of the urban areas. One-third of the population in upland areas is still below the poverty line; in lowland areas, only about one-fifth of the population is poor. The ethnic groups, who traditionally live in mountainous and remote areas difficult to access, have seen slower progress in poverty reduction. The lowland groups, with the highest levels of education, have the lowest poverty rate. Inequality has grown: in 2012/13, consumption of the richest quintile was 6.4 times that of the poorest, while two decades ago, the difference was 4.7 times.² Moreover, the delivery of basic services remains uneven due to lack of resources and constrained implementation capacity.</p> <p>Policy challenges. Effective policies will need to be put in place to ensure that improved economic growth translates into pro-poor growth and that the benefits from growth are equally redistributed to the poor and vulnerable sections of society. Pro-poor growth also needs to be underpinned by improvements in the quality of governance,</p>

¹ Formerly National Committee for Rural Development and Poverty Eradication (NCRDPE)

² Pimhidzai, et al., 2014 and Lindelow et al., 2010.

Sector outputs and activities	Progress	Challenges and opportunities
	<p>Poverty reduction strategies. Small towns created by the agglomeration of large villages according to the rural development policy increased from 11 towns in 2015 to 30 in early 2018, meaning an increase of 19 new towns. In the agriculture sector, activities such as the creation of the Department of Rural Development and Cooperatives, participatory land-use planning in villages, and support provided to farmers' organizations contributed to poverty alleviation.</p>	<p>through greater transparency and accountability in public policy.</p> <p>Priorities going forward. The Government of Lao PDR is prioritizing the following strategies to reduce poverty directly and to alleviate the impact of poverty on the poor:</p> <ul style="list-style-type: none"> (i) Targeting the poor in planning, budgeting, and programme delivery through appropriate targeting below the district level, and with different sectors working in a coordinated and convergent approach (ii) Accelerating interventions such as providing poor communities with access to services, education, and support to livelihoods, all of which are known determinants of poverty levels (iii) Using innovative means to reach and educate communities in remote areas, such as the community radio programmes in Xieng Khouang, Sekong, Oudomxay and other provinces and relevant districts, which have been able to reach vulnerable groups, especially women and girls, with radio installed in mobile phones (iv) Strengthening social protection systems to cover vulnerable groups and widen the scope of social protection schemes, including through the implementation of the National Social Protection Strategy

Sector outputs and activities	Progress	Challenges and opportunities
		(v) Tapping into domestic capital, through public-private partnerships in local economic development, and incentives for investments that do their sourcing from local firms and workers.
2. Tapping into domestic capital, through public-private partnerships in local economic development and incentives for investments that do their sourcing from local firms and workers.	Promotion of agriculture commercialization and diversified services. Commercial farming increased during the first half of the Eighth NSEDP, often accompanied by additional income and food security for many communities. Commercialization has been most prominent in farming for coffee, cassava, maize, sugar cane, rubber and beans. Demand for these crops is rising and prices are increasingly attractive to farmers. Higher domestic and foreign private investment has supported this shift.	Challenges to commercial farming. Increased commercial farming has also brought challenges. Access to and availability of traditional and nutritious foods has declined in some communities where commercial farming has expanded. Commercial opportunities are also not equally available, and in some areas non-commercial farmers have fewer productive resources due to competition from commercial ventures. Many commercial crops are also vulnerable to sharp price fluctuations (e.g., boom-bust crops such as rubber, maize, cassava, rice) that make farmers who lack strategies to be informed and having an appropriate supports in managing the vulnerable market cycles.
3. Balancing support to commercialization with ensuring food security and access to nutritious foods for all communities (Agriculture and Forestry Development Plan (2016-2020))	<p>Organization and coordination of farmers. There has been growth in farmers’ organizations (e.g., coffee cooperatives, rubber associations, Lao farmer’s network, and cattle producers’ groups) that have helped improve the efficiency and equity of market transactions. For example, rice farmers’ groups have expanded to cooperatives, and machinery groups also support post-harvest processing services more systematically. But in some cases, a lack of clarity and inconsistent support for farmers’ organizations has hindered their growth and effectiveness.</p> <p>Balancing production and nutrition. The Government of Lao PDR aims to continue to focus on balancing commercial development and national food security with support for subsistence farmers and food production that</p>	<p>There is an opportunity for rural finance providers to consider targeting the provinces, which have the lowers penetration of formal and semi-formal financial services.</p> <p>There is a gap in coverage by stakeholders engaged in agriculture, rural development and food security by province.</p>

Sector outputs and activities	Progress	Challenges and opportunities
	<p>meets local nutritional needs. This is related to improving production for local consumption and to pursuing efforts for nutrition-sensitive agriculture. For example, MAF’s Green Rice Landscapes approach illustrates this balance by increasing sustainable productivity while preserving ecosystem services for food security and nutrition.</p> <p>Financing and extension services. The Government also aims to strengthen and diversify financing mechanisms and extension services for both farmers and micro/small enterprises to enable investments to modernize small-holder farming and agro-processing.</p>	
<p>4. Ensuring the effective implementation of the Agriculture Development Strategy</p>	<p>Implementation of the Agricultural Development Strategy. The Government has been promoting agro-ecological practices for sustainability and productivity. Laos has then taken the lead on agroecology in ASEAN with the Laos Initiative for Conservation Agriculture (LICA), which aims at the adoption of an ASEAN joint declaration on agroecology. Irrigation schemes have been improved and expanded to make agriculture less rainfall-dependent. The Government also contributed to inclusive growth by supporting Farmers Organizations and providing extension services to rural communities. Policy actions undertaken include the “Green Rice Landscapes” initiative on mixing rice cultivation and aquatic species, the Policy Brief on the ‘Role of the Agriculture sector to promote Food Security and Nutrition in Lao PDR’ the adoption of a Decree on Pesticide management in August 2017 and a study on food safety with regard to the pathogenic bacteria (e.g. E. Coli, Salmonella and Clostridium). Together bring the awareness raising on the issue.</p>	

Sector outputs and activities	Progress	Challenges and opportunities
<p>5. Greater efforts on strengthening of provincial and district level agriculture and forestry offices – particularly improving monitoring and reporting system developed by MAF for nutrition-sensitive agriculture</p>	<p>Strengthening of provincial and district offices. Province and district level agriculture and forestry offices are undertaking the planning, design and implementation of an increasing number of projects. Enhanced participation from the province and district offices is seen in multi-sector nutrition committees, which coordinate service delivery in eleven provinces through an improved monitoring and reporting system developed by MAF for nutrition-sensitive agriculture.</p>	
<p>6. Ensuring sufficient quantity and diversity of foods for good nutrition</p>	<p>Food production outcomes. Lao PDR is performing well in food production: farm production is meeting or exceeding all the national per-capita food production targets. Even with flooding and a major pest infestation, the production in 2017/2018 was strong: rice production was more than double the national consumption targets for 2020, vegetable production was nearly four times, and fruit production was over seven times the consumption targets. Therefore, Lao PDR as a country is producing sufficient quantity and diversity of foods for good nutrition.</p> <p><u>Rice production overview.</u> Rice production is essential to basic food security in Lao PDR. Total rice production output over the past two years averaged 4.2 million tons per year (4.2 million tons in 2016 and 4.1 million tons in 2017). Estimated production for 2018 is 3.9 million tons, a decline resulting from the heavy floods in July. This falls below the planned target of 4.7 million tons per year (current production represents 83 percent of the target). Wet season rice production accounted for a large majority of total production (about 80 percent). Dry season farming made up about 12 percent and upland rice cultivation about</p>	<p>Challenges for meeting other rice targets. The below-forecast production levels can be attributed primarily to climate and pest-related factors (e.g., outbreaks of bamboo grasshoppers in northern provinces and pest outbreaks during a particularly cold January). The Mekong River and its tributaries and water reservoirs also experienced lower water levels than expected with knock-on consequences for agricultural production as irrigation systems could not respond and supply adequate water. Rice cultivation was also reduced by the increased use of agricultural land for other activities. At the same time, rice prices fluctuated while production costs stayed high due to the cost of electricity, labour, seeds and fertilizers left farmers with small profit margins and incentives to transition toward other more profitable crop farming. Rice production has also been affected by a labour shortage related to the continued migration of large numbers of rural dwellers to cities in search of employment opportunities.</p>

Sector outputs and activities	Progress	Challenges and opportunities
	<p>8 percent.</p> <p>National rice production targets to ensure consumption met. Importantly, however, rice production exceeded national consumption targets by some margin. (The Eighth NSEDP highlighted a production level of 2.5 million tons per year as necessary for sufficiency.) With vegetable and fruit production also exceeding consumption targets, there has been sufficient quantity and diversity of foods for good nutrition.</p> <ul style="list-style-type: none"> • Wet-season rice farming. Wet-season rice farming remained the primary source of rice production. The cultivation area was 769.1 thousand ha with a yield of 3.4 million tons of rice in 2016. The cultivation area in 2017 was slightly lower (762.5 thousand ha) but the yield was slightly higher (3.5 million tons). • Dry-season rice farming. In both 2016 and 2017, the cultivated area was 98.7 thousand ha with a yield of 505 thousand tons of rice per year.³ • Upland rice cultivation. The aimed transition is toward more substitutional crops and a reduction in upland rice cultivation areas. These targets were reached during the first half of the plan period. Upland rice cultivation was mostly practiced in the northern provinces, including Luang Prabang, Houaphanh, Oudomxay and Xayabouly provinces. 	

³ The first half of 2018 is estimated to see production on 76,459 hectares with a yield of about 400,000 tons.

Sector outputs and activities	Progress	Challenges and opportunities
	<p>In 2016, the total cultivated area was 104.7 thousand ha and the total production 205 thousand tons of rice. In 2017, the cultivated area fell to 78.3 thousand ha and the total production to 158.9 thousand tons.</p> <p>Food crop farming. In addition to rice, the aim is to set targets for other food crops to help meet growing consumer demand and to help substitute imports from neighbouring countries, including sweet corn, taro and sweet potatoes, fruit trees, and vegetables. Production these crops exceeded the expectation. In 2016, for example, the cultivated area for sweet corn was 30.4 thousand ha with a yield of 283 thousand tons. This increased slightly in 2017 to 31.4 thousand ha and 285.5 thousand tons yield.⁴ Sweet corn output exceeded the NSEDP target of 228 thousand tons by a substantial margin (approximately 25 percent in 2017).</p> <p>Annual taro and sweet potato output, meanwhile, increased 15 percent during the plan period, from 338.9 thousand tons in 2016 to 389.7 thousand tons in 2017. This represented output 28 percent above the NSEDP target (304 thousand tons). Fruit production also easily exceeded the Eighth NSEDP target. From 2016-17, yield increased from 1.3 million tons to 1.4 million tons.⁵ This exceeds the plan target of 800 thousand tons by nearly 75 percent. Vegetable production was stable over the plan period at 1.7 million tons, exceeding the target of 1.5 million tons in the</p>	

⁴ It is estimated that there will be 5,880 hectares in cultivation with a yield of 50,800 tons in the first half of 2018.

⁵ It is estimated that there will be 17,335 hectares of cultivation area with a yield of about 320,400 tons in the first half of 2018.

Sector outputs and activities	Progress	Challenges and opportunities
	<p>Eighth NSEDP by 13 percent. This was driven in part by growth in demand for organic vegetables.</p> <p>Livestock and fisheries. A target also includes objectives for increasing livestock and fishery production as critical inputs to national food security. In support of this aim, livestock raising has moved gradually towards stall-based production, technical extension services have increased, and in-time veterinary services have become more accessible. In addition, farmers have been encouraged to grow feeding grasses and crops and to use the waste from agriculture and agro-processing factories to conserve feed for livestock during the dry season.</p> <p>Fishery management. The network for producing fish fingerlings has expanded to provinces, districts and households to adequately supply farmers nationwide. The management of reservoirs, rivers, streams and ponds has also been promoted through efforts to organize and establish community fish management groups and fish conservation zones to protect water ecosystems and ensure fish for consumption.</p> <p>Meat and poultry. Meat and egg production exceeded Eighth NSEDP targets—an important contribution to Lao PDR’s food security strategy. Total output grew 5.2 percent per year during the first half of the plan (the target rate was 6 percent per year). The total volume of output was 398.1 thousand tons in 2016 and 385.3 thousand tons in 2017. This surpassed the plan target of 258 thousand tons by 49 percent.</p>	

Sector outputs and activities	Progress	Challenges and opportunities
Environmental Development - Discussion 14 and Discussion 15 – Post Disaster Need Assessment and Recovery - Discussion 16 – Climate change adaptation and natural disaster management across all sectors and into all provinces.		
<ol style="list-style-type: none"> 1. The promotion of climate-resilient agricultural practices (agroecology, participatory land-use planning) 2. The allocation of agricultural land in the whole country and the allocation of land areas for cultivation of food crops and cash crops, based on local conditions, natural resources, cultures and local knowledge, 	<p>Land use planning and the Land Law. Major progress on the improvement of land management resulted in the adoption of the National Land Use Master Plan and the preparations for the update of the Law on Land (Land Law). Guidelines for land use classification have been completed and are currently at the stage of approval. Key proposals for the new Land Law (2016-2017) are to: i) clarify between land classification and land use planning, ii) ensure that land use plans are both bottom-up and top-down, iii) exclude land ceilings for agricultural land, iv) introduce legally binding land use plans that clarify land ownership, and v) introduce land use planning principles in the law. Recommendations to the Land Subsector Working Group are to approve and issue the Land Use Plan as a legally binding document and to simplify the system of Land Classification and Land Use Planning according to administrative levels. These recommendations include: (a) classification at national and district levels and (b) participatory land use planning at village level. Furthermore, it is suggested to enhance the legally binding character of Land Use Planning in the revision of the Land Law and include the clarification of land ownership during the Land Use Planning process.</p> <p>Communal Land Registration and Titling. At the end of 2016, a focus group was set up to work on guidelines for communal land registration and titling. During 2017, the group developed and discussed the draft guidelines.</p>	<p>Quality of investments. To assess the quality of investments, a multi-stakeholder consultation process was used, involving government agencies, companies, and affected villages (one forum for village heads and one for households). In forestry plantations, most households said that they were not compensated for substantial land loss. The loss of land to plantations was the highest among the concessions for three sectors (agriculture, forestry, and mining). At least 55 percent of the mining projects, 42 percent of the forestry projects, and 6 percent of the agriculture projects conducted impact assessments (Environmental Impact Assessment (EIA), Environmental and Social Impact Assessment (ESIA), and/or initial environmental examination (IEE)). Agriculture and mining projects carried out the EIA before the concessions were granted, while the majority of land concessions for plantations were granted first and an EIA was done after the land was cleared (65 percent). Quality assessment interviews have been finalized in the six provinces of the South and two pilot provinces of Luang Prabang and Xiengkhouang.</p>

Sector outputs and activities	Progress	Challenges and opportunities
	<p>Land concessions, land investments, and quality of land concessions. The Land Concession Inventory includes six steps: (i) gathering of concession data, (ii) provincial consultations, (iii) district-level participatory mapping of concession areas, (iv) data integration into computer programs (v) final consultations at provincial level, and (vi) finalization of maps. The data collection took place from 2014-2017, and the first maps were available since late 2017. Most of the concessions are for Asian countries, such as China, Vietnam, Thailand, South Korea, and Japan. Chinese concessions predominate in the northern region of Lao PDR, while Vietnamese concessions are most dominant in the southern part of the country. Most of the agreements are for mining activities, followed by agreements for forest plantations. There are sometimes discrepancies between actual concession and final implementation area. Other issues include concessions that are not being worked and not producing any benefits.</p>	
<p>3. The development of technological capacities to improve and maintain agricultural productivity and innovate, including research into rice and plant seeds and animal breeds, and new technologies to upgrade productivity,</p>	<p>Environmental assessments. MoNRE is preparing draft guidelines on Strategic Environmental Assessment (SEA) and detailed regulations with a public participation chapter. The SEA Regulatory Guidelines are expected to be approved by a MONRE Ministerial Decision and endorsed further by Prime Minister's Decision, Order, or Instruction in 2018. In April 2018, the responsibility for delivering the SEA Guidelines was changed from MoNRE's Department of Natural Resources and Environment Policy to the Department of Environmental Quality Promotion. All concession projects now have to conduct EIA assessments before being implemented, which helps to protect the environment and the rights of local people. Environmental</p>	

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	<p>Standards have been developed and approved. This will help in the implementation of the Green, Clean and Beautiful Strategy for towns and cities in Lao PDR and the development of a waste management system.</p> <p>Pesticide management. A new pesticides management decree was approved in August 2017. The Decree demonstrates strong commitment to managing agricultural pollution and supporting organic products as a value-chain, export opportunity. A Ministerial Decision on Licensing of Pesticides Businesses and Post-Registration Pesticides Control and Management is scheduled for approval in 2018.</p>	
<p>4. The sustainable management of farming systems, resources and water resources, and allocation,</p>	<p>Water and Water Resources Law. The Water and Water Resources Law was updated and approved by the National Assembly in 2017. The updated Law aims to improve the sustainability of Lao’s water resources. The law is expected to influence the monitoring, management and planning of the country’s vast rivers. New provisions have been added on water rights and use, including waste-water discharge permits, wetlands and water-resources protection, ground-water management, and river-basin management. Additionally, the law expands the terms and conditions of large, medium, and small-scale uses and includes articles on environmental flows for hydropower as well as stipulations related to irrigation use. The process benefitted from extensive consultations with a wide range of stakeholders, including the private sector.</p>	
<p>B. Communication and outreach</p>		

Sector outputs and activities	Progress	Challenges and opportunities
activities with the sector and across Sector Working Groups		
1. Sector Working Group	<p>2 meetings organised in 2019 with participation of various stakeholders</p> <p>The SWG-ARD uses the following shared folder to disseminate agendas, minutes, and presentations for its general meetings: https://drive.google.com/drive/folders/0BzTaYIoitEIHdWtBdzg1UFhtZ2c</p>	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.
2. Sub-Sector Working Group on Agro-biodiversity (ABD)	The SSWG is developing a concept for a Lao Agro-biodiversity 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.
3. Sub-Sector Working Group on Farmers and Agribusiness (FAB)	<p>1. <u>The study carried out: Rural Labour and Employment</u></p> <p>This meta-study, carried out in collaboration with the MAF Department of Policy and Legal Affairs, provides a synthesis of reports and data from 65 sources which has important implications for planning by both Government and donors. The report is titled “<i>Towards ‘People Centered Agriculture’: Rethinking rural labour, youth employment and the agrarian transition in Laos</i>”. A key conclusion is that creation of jobs and incomes should be used as indicators for projects and programs in the sector, not just production and sales targets. The file is available here: http://www.laofab.org/document/view/4069</p> <p>2. <u>Meetings/discussions held</u> <u>25th March 2019</u></p> <p>a) Presentation - Coffee in the North of Laos: Learning</p>	Coherence and coordination on cross-cutting issues that are being addressed by more than one Ministry, Department or Working Group

Sector outputs and activities	Progress	Challenges and opportunities
	<p>from Keoset</p> <p>There is growing interest among donors and government to support coffee production in Northern Provinces. However, some past efforts were not successful and the future market is uncertain. How can we work together to make this sector more sustainable? This presentation looked at the lessons being learned in the Keoset Cluster of Khoun District.</p> <p>b) Video - Coffee Futures: A Young Farmer Forum</p> <p>One factor affecting success and sustainability of investments in the coffee sector is the engagement of the next generation of farmers. With this in mind, a forum was recently held in Xieng Khouang attended by young farmers from coffee communities across the province. This video showed what happened at the forum.</p> <p><u>03 October 2019</u></p> <p>a) Presentation - Report on Rural Labour and Employment See above under ‘Studies Conducted’</p> <p>b) Presentation - Agribusiness and Climate Change</p> <p>The current cropping season has included a drought, exceptional pest attacks and severe flooding. Climate change is playing a part in these developments, which makes us ask how Laos can promote climate-friendly agribusiness? This presentation was made by Dr Phanhpakit Onphanhdala, Deputy DG, Center for Enterprise Development and International Integration</p>	

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	<p>Policy, National Institute for Economic Research (NIER),</p> <p>3. Information services</p> <p><u>Translation and dissemination of extension materials</u></p> <p>With support of LURAS, the SSWG-FAB has responded to two urgent problems by producing print and video materials on the following topics:</p> <ul style="list-style-type: none"> a) Identification and control of Fall Army Worm b) Managing the outbreak of African Swine Fever <p>The SSWG has also been a channel for disseminating documents produced by DTEAP on the management of farmer groups, and production of vegetables for nutrition.</p> <p><u>LaoFAB online discussion and repository</u></p> <p>As of November 2019, the discussion group has 4,600 members who make an average of 120 posts per month.</p> <p>The repository currently contains 3,683 documents, with approximately 4,000 files being downloaded every month.</p> <p>LaoFAB also has a FaceBook page with 13,000 followers</p> <p>4. Lao Farmer Network</p> <p>The Lao Farmer Network was established as a result of meetings held under the umbrella of the SSWG-FAB. By October 2019, the network consisted of more than 30 member organisations representing over 4,000 farmers</p>	

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	<p>across the country.</p> <p>LFN presents an update on its activities at each meeting of the SSWG-FAB. The most significant events of the past year have been a series of three meetings that were attended by more than 100 farmers, held in collaboration with DTEAP:</p> <ul style="list-style-type: none"> a) Producer and Private Sector Partnership Meeting, b) Knowledge Management Fair c) General Assembly of LFN. 	
4. Sub-Sector Working Group on Forestry (F)	<p>FSSWG meetings are open and private sector and CSOs participate.</p> <p>FSSWG has been an important GOL-DP consultation forum on important REDD+ issues including REDD+ readiness and FCPF process</p>	
5. Sub-Sector Working Group on Rural Development (RD)	<p>2 meetings have been held in 2019 bringing together a wide range of stakeholders from relevant sectors including from the following ministries and government bodies: MAF, MONRE, MOES, MPI, NAFRI, Bank of the Lao PDR</p> <p>A Task Force on Rural Finance (TFRF) has been established under the SSWG-RD with the Department of Rural Development and Cooperatives (DRDC), MAF. 3 meetings have been held in 2019 with broad participation from the financial and rural development sectors.</p>	<p>The approval of the National Financial Inclusion Roadmap provides an opportunity for a review and assessment of support structures including the TFRT for implementing the roadmap and related issues on rural finance</p>
6. Policy Think Tank	Evidence-based and applied research has potential to	There is a need and room for improvements in the

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	<p>support smallholder farming transformation in different ways. At the farming level, research can identify bottlenecks, evaluate possible options and suggest technical solutions for improving productivity and value addition opportunities, improving smallholder production systems, while at the same time identifying economically viable opportunities for diversifying livelihoods to non-farm activities. At the policy level, research can help design policy and geospatial planning, facilitate implementation and advocate for sustainable agriculture development.</p> <p>During the reporting period, there are a few research papers were produced to highlight key matters contributing to the sectors. Some of them which are great value by members are:.....</p> <p>Throughout research process, various partners directly and indirectly involved in the sectors were consulted. Importantly, local farmers and smallholders participated and provide valuable insights on their activities. These help to ensure better communication of lessons learnt and key issues that they have been encountering.</p>	<p>exchange between the science and the policy-making sides. While policy makers expressed the need for a better or more consistent quality of research that is addressing their knowledge needs, and for results to be presented in a clear and concise format, and a better understandable language to inform decision-making and policy formulation, researchers, on the other hand, called for a space in which policy makers can define their needs, based on which more policy-relevant research activities could be designed.</p>
<p>C. Cross-sectoral thematic areas applied to all SWGs</p>		
<p>1. Partnership for Effective Development Cooperation (in accordance to VDCAP 2016-2025) (Only narrative on each principles)</p>	<p><i>Ownership.</i> While there have been numerous positive developments related to the planning process, challenges remain in instituting broad-based, robust consultation mechanisms. This includes</p> <p><i>Alignment.</i> More progress is needed to further strengthen</p>	<p>Further efforts to widen stakeholder participation to make sure these groups have the space to make a more meaningful contribution to Lao’s national development planning. It is also recognised that there is an under-investment in the core capacity of ministries to manage SWGs effectively and</p>

Sector outputs and activities	Progress	Challenges and opportunities
	<p>public financial management and procurement to improve the likelihood of the Partner use. There is also a need for further the Government efforts to develop comprehensive and transparent reporting on aid and the national budget to help Partners align aid flows with national development priorities. To further these efforts, the Government and its Partners can jointly assess key country systems, using mutually agreed diagnostic tools and make decisions based on these assessments.</p> <p>Harmonization. The Partners and other stakeholders in Lao PDR do not share a common understanding of PBAs. Their use has been growing but is relatively low. Actively promoting complementarity and a division of labour approach across sectors has not yet been done in a coordinated manner and the use of joint programming and delegated cooperation arrangements can be increased. This includes for the amount of analytical work conducted jointly.</p> <p>Managing for results. To ensure that the Government and all stakeholders in Lao PDR work towards common development results, transparent national results frameworks and platforms will need to be adopted as a common tool among all concerned actors. The VDCAP was not monitored in a systematic manner. Hence, it is necessary to make follow-up arrangements by instituting a monitoring framework. This framework be used to undertake follow-up activities in order to ensure accountability and implementation of agreements. Improvements to the AMP are also needed to ensure timely and accurate data.</p>	<p>other improvements that can help make SWGs better tools of collaboration. For example, monitoring at the sector level can also be improved as the quality and consistency of SWG monitoring processes varies. Increased attention is also needed to further expand decentralisation and to develop aid coordination processes and mechanisms at the local level.</p>

Sector outputs and activities	Progress	Challenges and opportunities
	<p><i>Mutual accountability.</i> The Government and the Partners need to work together to increase the predictability and transparency of development financing. This includes the expansion from aid effectiveness to the challenges of effective development and the need for frameworks that comprise aid and other forms of cooperation. Both sides can also increase transparency and timely information sharing to enhance holding each other to account for mutual commitments. There is also room to explore expanding arrangements with new partners, including neighbours and through different forms of development cooperation. It is also important for an enhanced enabling platform for the private sector to participate in the design and implementation of development policies and strategies. Despite progress in widening participation to a broader group of stakeholders, there is still room to enhance substantive engagement—including in the RTP.</p>	
<p>2. Innovation and technology</p>	<p>Agricultural innovation has potential to increase farmer incomes, improve food and nutrition security and allow for sustainable management of natural resources. An agricultural innovation system is a network of individuals, organizations and enterprises, with supporting institutions and policies in agricultural and related sectors that bring together existing or new products, processes and forms of organization to create additional socio-economic value that customers will pay for. This approach highlights how elements and actors have to be taken into account in a development process, and develop innovation skills to</p>	<p>The concept of an “agricultural innovation system” is not recognized in current policy or strategy. Furthermore, there is a lack of incentives for farmers and government officials for promoting the use of traditional knowledge in a blended approach with modern practices. The role in encouraging and supporting innovation should be embedded in and defined by the institutional and policy contexts that shape the ways innovation actors and organizations behave. In reality, the policies often make reference to “innovation” but</p>

Sector outputs and activities	Progress	Challenges and opportunities
	succeed. Farmers are willing and able to innovate through adoption of improved practices, building facilities and adapting technologies such as livestock breeding, seed varieties, and water management for crops and aquatic production.	are not comprehensive enough to tackle the difficulties of fostering and scaling out innovation.
3. Promoting gender equality and women's empowerment and accelerating the adoption and implementation of the National Youth Policy	A gender action plan 2016-20 has been developed with 6 main targets: awareness raising, increase number of female farmers who have access to land allocation, increase number of female agriculture officers, farmers must be involved in all training topics and at least 45% of female participation, 20% of women in farmer organization, recruitment of civil servants must consider 30% of women starting from screening the application.	A key challenge is to have a regular reporting and monitoring system in place on the implementation of the action plan.