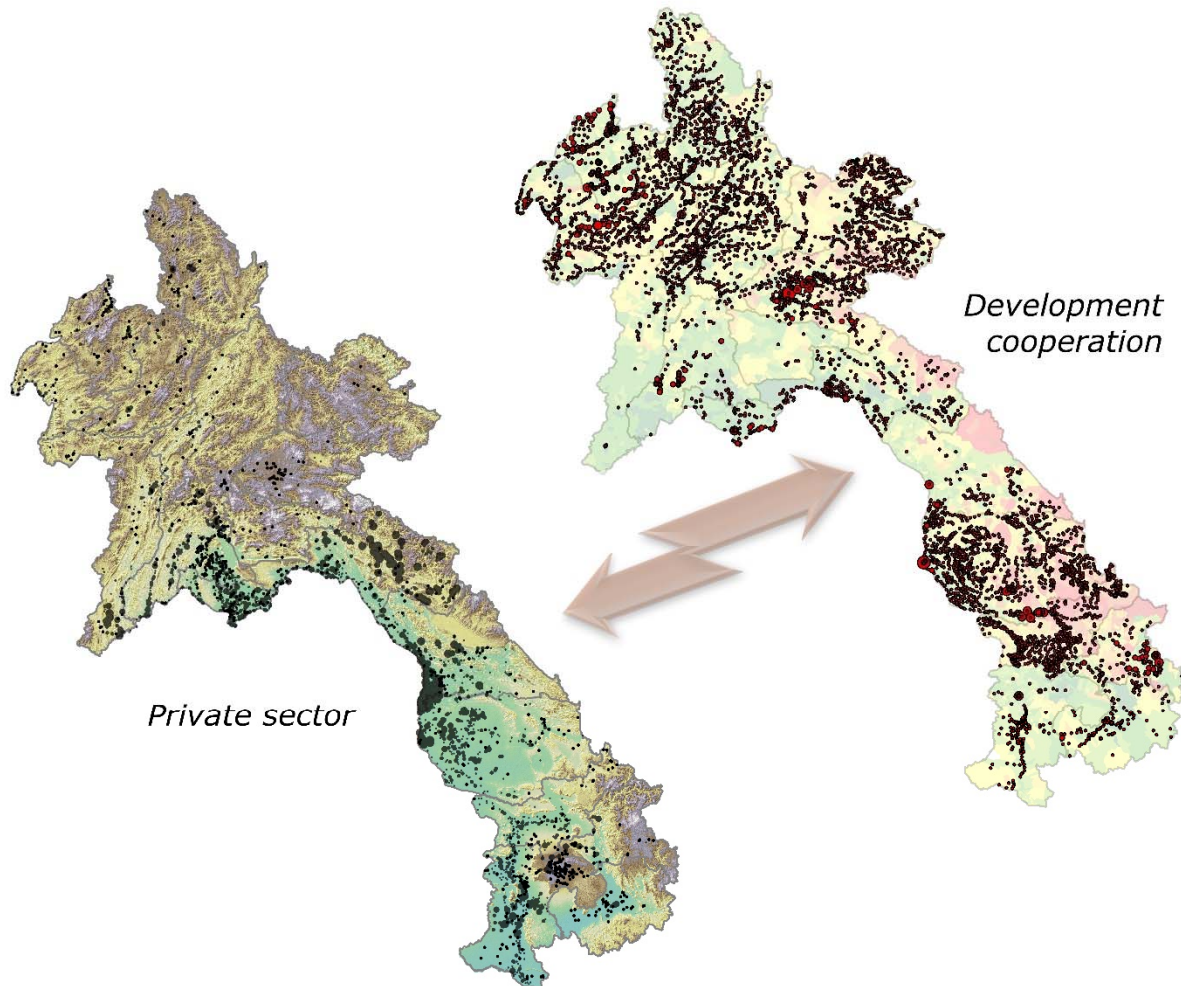


Mapping of Stakeholder Activities in the Agriculture, Rural Development & Food Security Sectors in the Lao PDR



Vientiane, June 2019

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List of Abbreviations

ADB	Asian Development Bank
AFP	Access to Finance for the Poor program
AFS	Agriculture and Food Security
ASEAN	Association of Southeast Asian Nations
CDE	Centre for Development and Environment
CSO	Civil Society Organization
DIC	Department of International Cooperation
DIH	Department of Industry and Handicraft
DoPF	Department of Planning and Finance
DP	Development Partner
DRDC	Department for Rural Development and Cooperatives
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GIZ	Gesellschaft für internationale Zusammenarbeit
GoL	Government of the Lao PDR
IFAD	International Fund for Agricultural Development
K4D	Knowledge for Development Project
Lao PDR	Lao People's Democratic Republic
LDC	Least Developed Country
LURAS	Lao Upland Rural Advisory Service
LuxDev	Luxembourg Development
MAF	Ministry of Agriculture and Forestry
MFA	Lao Microfinance Association
MoIC	Ministry of Industry and Commerce
MPI	Ministry of Planning and Investment
MSFNSAP	Multisectoral Food and Nutrition Security Action Plan
NGO	Non-governmental Organization
NSEDP	National Socioeconomic Development Plan
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PRF	Poverty Reduction Fund
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WASH	Water, Sanitation and Hygiene
WB	World Bank

Summary

A large number of development cooperation projects are being implemented in the Lao PDR, with the overall aim of supporting the Lao Government and society in achieving a smooth graduation from the status of Least Developed Country (LDC) and in the implementation of the country's National Socio-Economic Development Plan (NSEDP).

At the same time, a rapidly increasing number of private businesses and enterprises are active in the Lao PDR, also supporting and shaping the further development of the country.

The management and monitoring of all those activities in the Lao PDR is not centralized, and in many cases not coordinated, hampering the realization of synergies, and increasing the risk of overlapping or contradictory efforts.

The Swiss Agency for Development and Cooperation (SDC) has commissioned the Centre for Development and Environment (CDE) of the University of Bern to inventorize, map and analyze the activities of stakeholders' active in the field.

The resulting inventory of actors and activities reveals the following main patterns:

AFS development cooperation projects focus strongly on northern upland areas and the southeast, with notable gaps in coverage in Khammouane, Xaysomboune, and Xayabury provinces. LuxDev's rural development project LAO/30 only partially fills those gaps in some of those provinces. Those development cooperation projects target many of the currently poorest areas, as well as formerly poor areas – the latter indicating successes of those rural development projects. Some gaps in coverage in the most neglected, poorest areas remain, though. These include eastern parts of Sekong and Khamlouang provinces. Thematically, general coverage of Agriculture and rural development projects is relatively good (with the exception of the before mentioned gaps). Support in the microfinance sector is, however, limited to the respective target provinces of GiZ.

Private businesses active in the AFS sectors, on the other hand, operate predominantly in less poor areas with better accessibility and higher population densities. These areas are, however, still home to large numbers of poor people – despite the lower poverty rates, and due to the higher population densities there. The poor population in those areas can potentially benefit from the services and employment opportunities provided by those businesses there.

Given the increasing private business sector in the lowland areas and the growing middle-class in urban centers, the rapid development of important national transportation routes and corridors, potential new opportunities may arise for the rural segments of the population:

With the required agricultural and marketing information and knowhow and entrepreneurial skills, opportunities for rural entrepreneurship to produce high-value commercial agricultural products for the urban consumers – including guests in tourism centers, who are increasingly aware of the value of clean local produces and ready to pay the premium for such products.

Although readying rural migrants to participate in off-farm employment in the growing agro-industrial investment projects will be an important area of skills development for the rural poor, support to the rural population to better benefit – e.g. with new agro-entrepreneurial skills - from urban and peri-urban growth while remaining in rural areas may harbor new potential, given the current developments in urban areas and now transit and development corridors.

Background

Agricultural development and food security remains a challenge in many provinces and districts, with indices concerning chronic malnutrition remaining among the highest in the ASEAN region. The Government of the Lao PDR (GoL), together with its Development Partners (DPs) are pushing for more emphasis on nutrition, and as a result, more Official Development Assistance of a growing range of DPs is now going into nutrition projects. Effective coordination among DPs' activities is therefore of ever growing importance.

The main objectives of this study, commissioned by SDC to the Centre for Development and Environment (CDE) of the University of Bern, are therefore to understand the overall picture of interventions in the agriculture, food security and rural development context in the Lao PDR, taking into account the activities of a range of different actors, including those of donors, DPs, NGOs, CSOs and private companies active in the sector.

The study shall

- i) present the main areas of interventions of donors, DPs, NGOs, CSOs and private companies active in the sector, and
- ii) reveal geographical patterns of under- and/or over-supply with interventions by projects, highlighting the main poverty-related challenges.

While this report presents the results of the analysis of the information available at the time of writing, a web-based platform, providing interactive tools to explore the data, is being developed as part of this study. The platform contains detailed geographic information on the areas of interventions of donors, DPs, NGOs, CSOs and private companies active in the Lao PDR. The content of the platform is not limited to the AFS domain and includes a broader range of development interventions in the country. The aim of the platform is to provide a place where information on stakeholder activities can be shared and continuously updated through inputs from a wide range of stakeholders such as DPs, donors and government agencies. The platform shall be part of the K4D/Lao DECIDE web platform allowing for analysis and visualization of the stakeholder activity information in combination with a whole range of other thematic datasets and geographic layers.

Information sources and analysis methods

Main sources of information

As part of this study, information on the general nature and the location of activities of a range of actors was compiled. These actors include:

- international development partners (donors and implementing agencies, jointly with Lao Government counterparts),
- Civil Society Organizations (CSO),
- private companies,
- government services (based on the Census of Agriculture 2011).

International development cooperation

Official Development Assistance (ODA) information in the Lao PDR is not centrally managed or coordinated, and to gain a complete picture of development assistance in the Lao PDR can be rather challenging, which clearly hampers donor coordination. For this study we compiled existing data from three main sources: the Department of International Cooperation (DIC) of the Ministry of Planning and Investment (MPI), the Ministry of Agriculture and Forestry (MAF), with additional information directly collected from donors, Development Partners (DPs), Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs):

- The ODA database on maintained by DIC: The database contains basic information on the development cooperation projects registered with DIC, including the name of the project, the main donor country or institution, the project time frame, and in some cases basic information on the implementation location (typically the names of the provinces, and in some cases also names of districts).
- The projects databases of the Department of Planning and Finance (DoPF), and the Department for Rural Development and Cooperatives (DRDC) both in MAF¹, which contain basic information on the development cooperation projects registered with MAF, including the name of the project, the main donor country or institution, the project time frame, and in some cases basic information on the implementation location (typically the names of the provinces, and in some cases also names of districts).
- As the above two data sources were far from complete, information on individual DPs' activities in the relevant sectors was sought from the different DPs, along with information on where (names of villages, districts, provinces) those activities are being implemented.

Civil Society Organizations

Information on the activities and respective locations of CSOs in Laos is based firstly on the list of CSO published on <http://www.lao-cso-network.org>, enriched and complemented through direct communication with CSO on the current activities and respective locations.

Private companies

Information on activities of private companies in the relevant fields was collected and compiled from the following sources:

- Data on agricultural processing factories including rice mills, saw mills, ice factories and timber factories was obtained from the Department of Industry and Handicraft (DIH) of the Ministry of Industry and Commerce (MoIC).

¹ Since DRDC has come under MAF only recently, it's development cooperation project information has not been integrated with the one of DoPF yet.

The dataset contains information of the main product of the factory, and village names and codes of the location of each factory.

- Information on commercial investments in land was extracted from the inter-ministerial information base on Land Concessions in the Lao PDR. Information on the current geographic extent of each concession in the agriculture and the tree plantation sectors was used.
- Information on microfinance service providers was obtained from the Lao Microfinance Association (MFA), which included a list of all microfinance companies operating in the Lao PDR.
- Information on providers of a range of rural development services was extracted from the Lao Census of Agriculture of 2011. Although the data is rather old, it still provides the best comprehensive national information on village-level services such as different types of credit facilities, trade groups, rice and livestock banks, veterinary services, technical agriculture and forestry center, markets, irrigation facilities, farm input and machinery shops, etc..

Data integration and analysis methods

Geographic referencing of activity locations

With the exception of the data on land concessions, none of the datasets described above contained and explicit geographic information in terms of coordinates. In order to map and integrate the different datasets, administrative lists with names and codes of villages, districts and provinces was used, and the respective geographic coordinates that are available on www.decide.la. Using the available administrative information in the different datasets – typically names of villages, districts, and provinces, the official and up-to-date administrative codes were assigned to each record, through which each village could be linked to the respective geographic coordinates. As the administrative division, along with the respective names and codes keeps on changing over the years, this was often tedious work. Nonetheless, more than 95% of all data records in the different datasets could be linked to a particular location.

The current database certainly still has a number of gaps – both missing projects, as well as incomplete coverage of certain projects. The public web-portal that is being developed as part of this analysis – accessible through <https://oda.decide.la> - shall facilitate a continuous improvement and updating of the stakeholder information-base and respective coordination.

The resulting information was then integrated into a spatial database that allowed for detailed mapping and spatial analysis of the distribution of the different actors' activities.

The compiled data on international development cooperation activities in the fields of agriculture, food security, rural livelihood development, nutrition, micro insurance, microfinance, Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA), green agriculture, and watershed management includes 159 Projects in total (22 CSOs).

- 15 projects active at country level
- 27 projects active at provincial level/province level information
- 28 projects active at district level/district level information
- 89 projects active at village level/village level information

According to our inventory, 28 CSOs are currently active in the fields of agriculture, microfinance and nutrition. So far, activity location information below the province level could be gathered for 22 CSOs:

- 17 projects with village level information active in 365 villages,
- 5 projects with district level information active in 30 districts,
- 5 projects with only province level information active in 8 provinces.

For 6631 agricultural processing factories, geographic information at village level could be added.

For 127 private rural financial service providers, the location of 78 companies and their 145 offices could be recorded and mapped.

The extracted data on land concessions for commercial investments in the field of agriculture and tree plantation includes 777 projects with geographic information at village level.

The village-level services information from the 2011 Census of Agriculture was mapped and interpreted separately, due to the relatively old age of the data. Nonetheless, it provided a comprehensive view on village-level services of different types for all villages of the country.

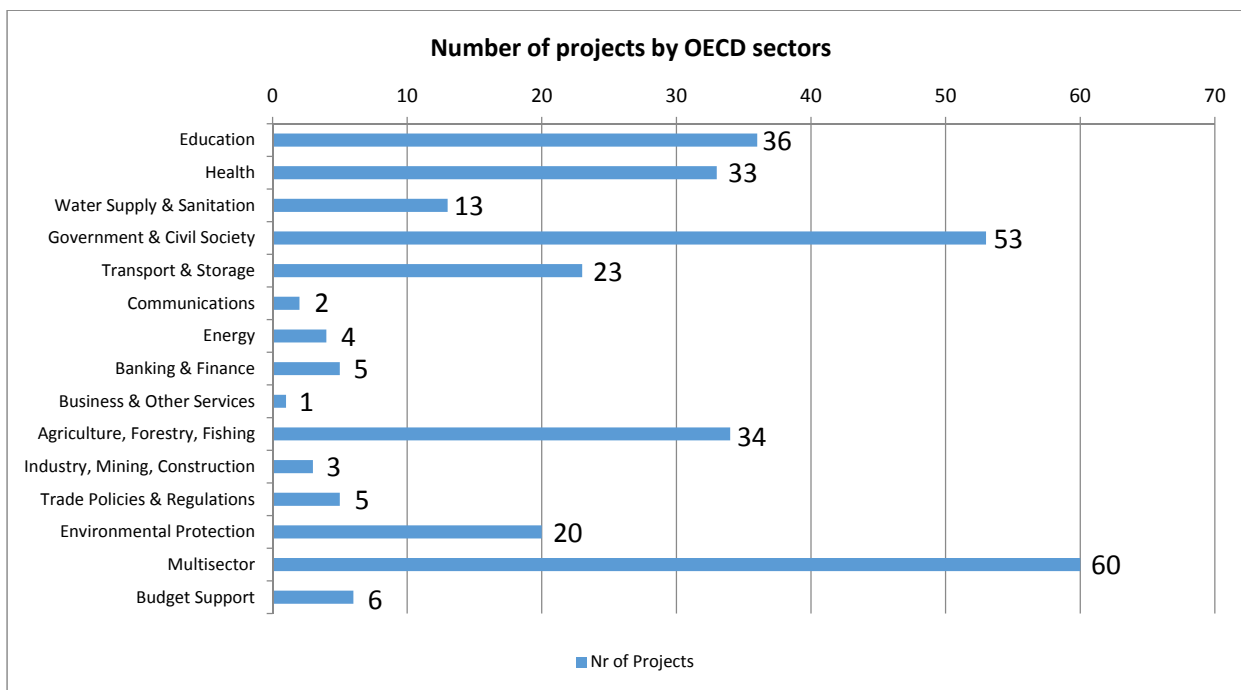
Results

Thematic areas, geographic distribution and socioeconomic context of development cooperation projects and CSO activities

Thematic areas of development cooperation

The projects recorded in the integrated database on development cooperation projects were categorized into sectors and sub-sectors according to the internationally used categories of the Organisation for Economic Cooperation and Development (OECD).

Figure 1: Development Cooperation Projects by Sector



The full database of development cooperation – i.e. not only AFS-relevant cooperation - contains 270 projects in fifteen main OECD sectors, namely Education, Health, Water Supply and Sanitation, Government and Civil Society, Transport storage, Communications, Energy, Banking and Finance, Business and other Services, Agriculture Forestry Fishing, Industry Mining Construction, Trade Policies and Regulations, Environmental Protection, Multisector and Budget Support. Figure 1 shows the distribution of the 270 projects across the main OECD sectors. Agriculture/ Forestry/ Fisheries is the fourth

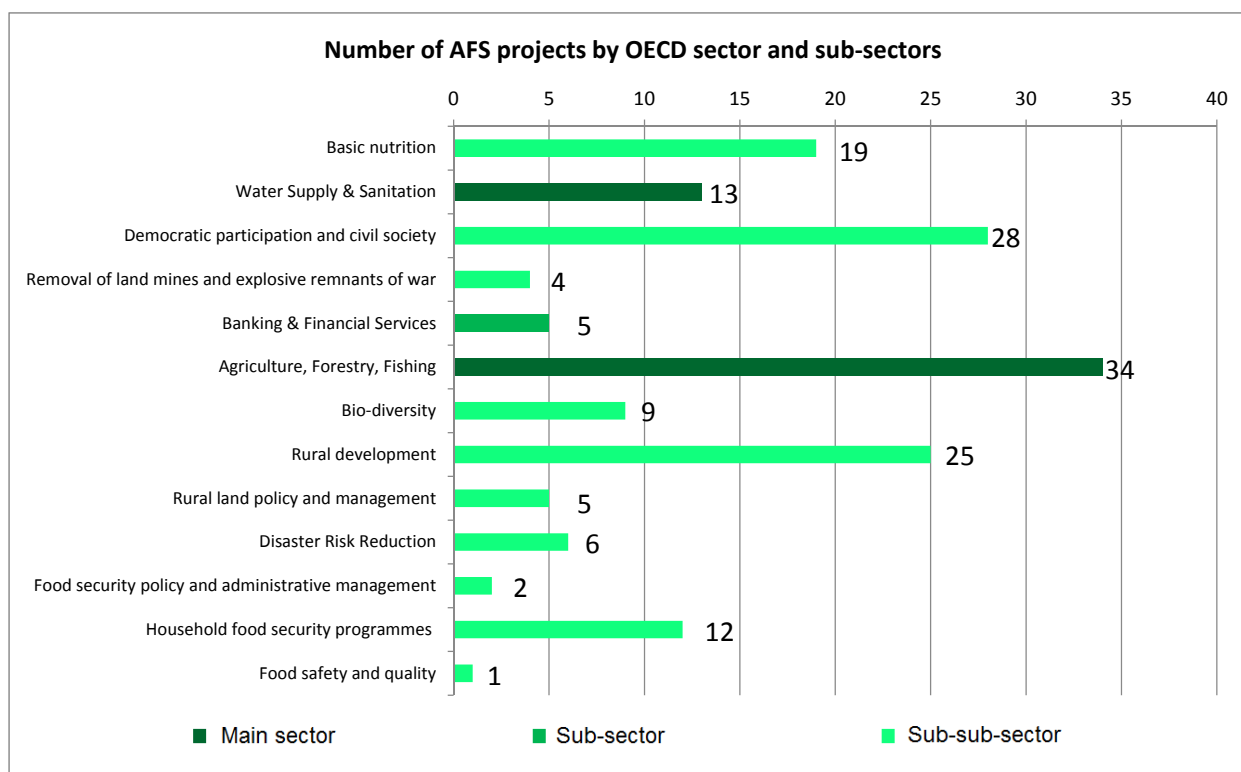
largest in terms of number of projects, almost at par with the health sector, after multi-sector projects – which often do include an agricultural component, government/ civil society – which includes the internationally supported CSOs, and the education sector.

As part of the OECD categorization, each sector is sub-divided into several sub-sectors and those again into sub-sub-sectors. Annex 1 provides an overview of all the sectors and sub- and sub-sub-sectors, with the respective number of projects. Although it is not entirely straightforward to decide on which categories would be part of the AFS domain, this study takes into account 155 interventions in the broader fields of agriculture, food security, rural livelihood development, nutrition, micro insurance, microfinance, disaster risk reduction and climate change adaptation, green agriculture, and watershed management. These 155 development cooperation interventions in those fields are hereafter referred to as AFS interventions. Annex 1 indicates the sectors and sub- and sub-sub-sectors that are included in the AFS domain.

Figure 2 shows the distribution of the AFS projects across the different sectors. Unlike Figure 1 which classifies the projects by the respective main OECD category, both main sectors (in dark green) and sub- and sub-sub-sectors (in lighter greens) are considered in Figure 2. This is because for instance in the “Health” sector, only activities classified as “Basic Nutrition” are considered as AFS-relevant and have thus been included in this study. Similarly, in the “Conflict, Peace & Security” domain, only the category “Removal of land mines and explosive remnants of war” is relevant in the AFS context.

Not surprisingly, the general agriculture/ forestry/ fisheries sector is the one with most projects, followed by CSOs active in the AFS sector (categorized under “Democratic participation & civil society”), and general rural development projects.

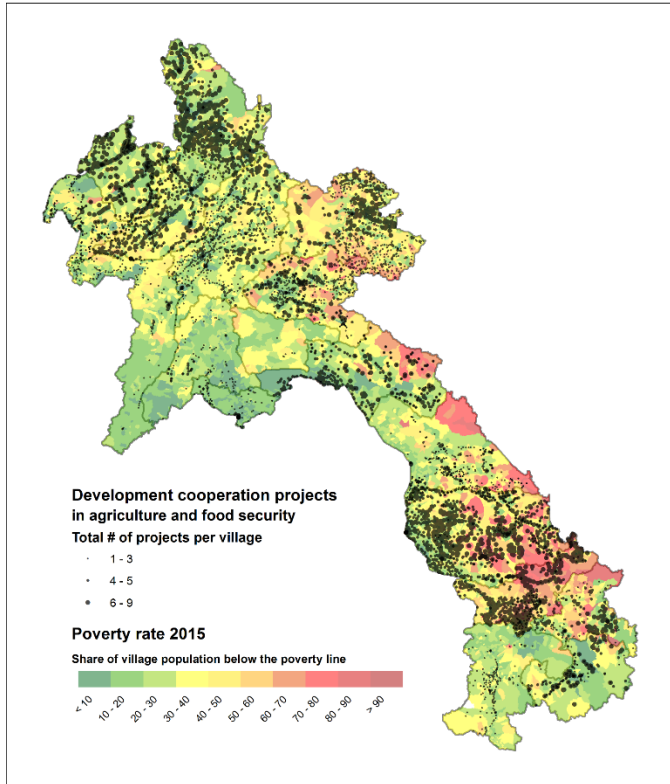
Figure 2: AFS Development Cooperation Projects by Sector



Projects in the sub-sectors of “Basic nutrition” and “Household food security” together also make up a larger group, with almost as many projects as in the agriculture sector.

Geographic distribution of development cooperation projects

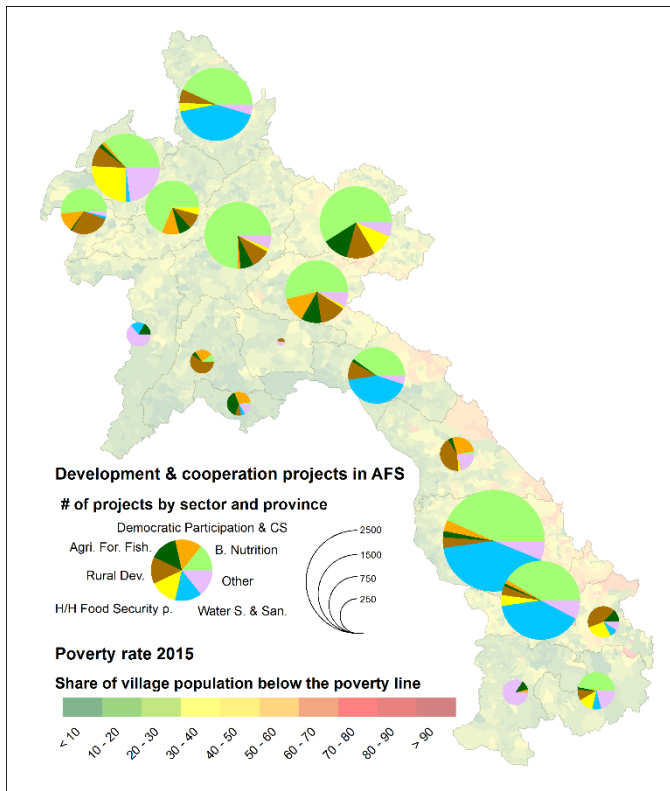
Map 1: Location and number of development cooperation activities in the AFS domain and village-level poverty rates



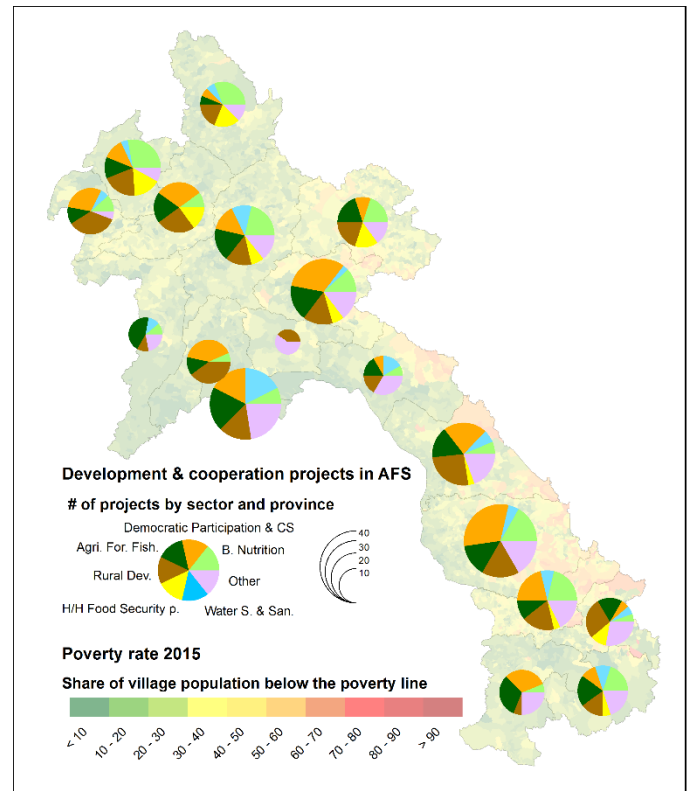
Map 1 reveals the geographic distribution of all AFS projects that are currently in the database, mapped at village-level across the Lao PDR. A number of clear regional concentrations and gaps are apparent: In the northern part of the Lao PDR, development cooperation appears to concentrate in the north and north-east, contrasted by only few projects in Xayabury, Vientiane, Vientiane Capital and Xaysomboune provinces.

In the southern part of the country, the development cooperation projects are largely concentrating in Borikhamxay, Savannakhet, and Saravane provinces, and to a lesser extent also in Sekong and Attapeu provinces. Bigger gaps appear in both Champasack and Khammuane provinces, where relatively few villages have development cooperation projects in the AFS sector.

Map 2: Number of project activities per sector and province



Map 3: Number of different projects per province



Map 2 reveals the number of project locations and their shares by sector & sub-sector in AFS. One obvious pattern is the strong dominance of project activities in basic nutrition in several provinces. Another strong pattern is the large number of project activities in the water & sanitation sector in a couple of provinces. This is due to two UNICEF-supported projects – Health & Nutrition, as well as WASH & Climate Resilience: both of these projects cover each village in the respective target provinces. Health & Nutrition operates in Phongsaly, Luang Namtha, Bokeao, Oudomxay, Luang Prabang, Huaphanh, Xiengkhuang, Borikhamxay, Savannakhet, Saravane and Attapeu provinces. WASH & Climate Resilience is being implemented in Phongsaly, Borikhamxay, Savannakhet and Saravane provinces (see also Map 16 and Map 23 on those two sectors, as well as Map 39 on UNICEF’s project locations in the AFS sectors). The relatively small province of Sekong has also a rather small number of projects, primarily in the rural development and in Agriculture/ Forestry/ Fisheries sectors. Similarly, the small number of projects in Vientiane and Khammuane provinces are in the Agriculture/ Forestry/ Fisheries sector. The few project activities in Xayaboury and Champasack provinces, categorized under ‘other’ in Map 2, are in the banking and finance sector, which are the village banks of the German-supported GIZ project on Access to Finance for the Poor (AFP).

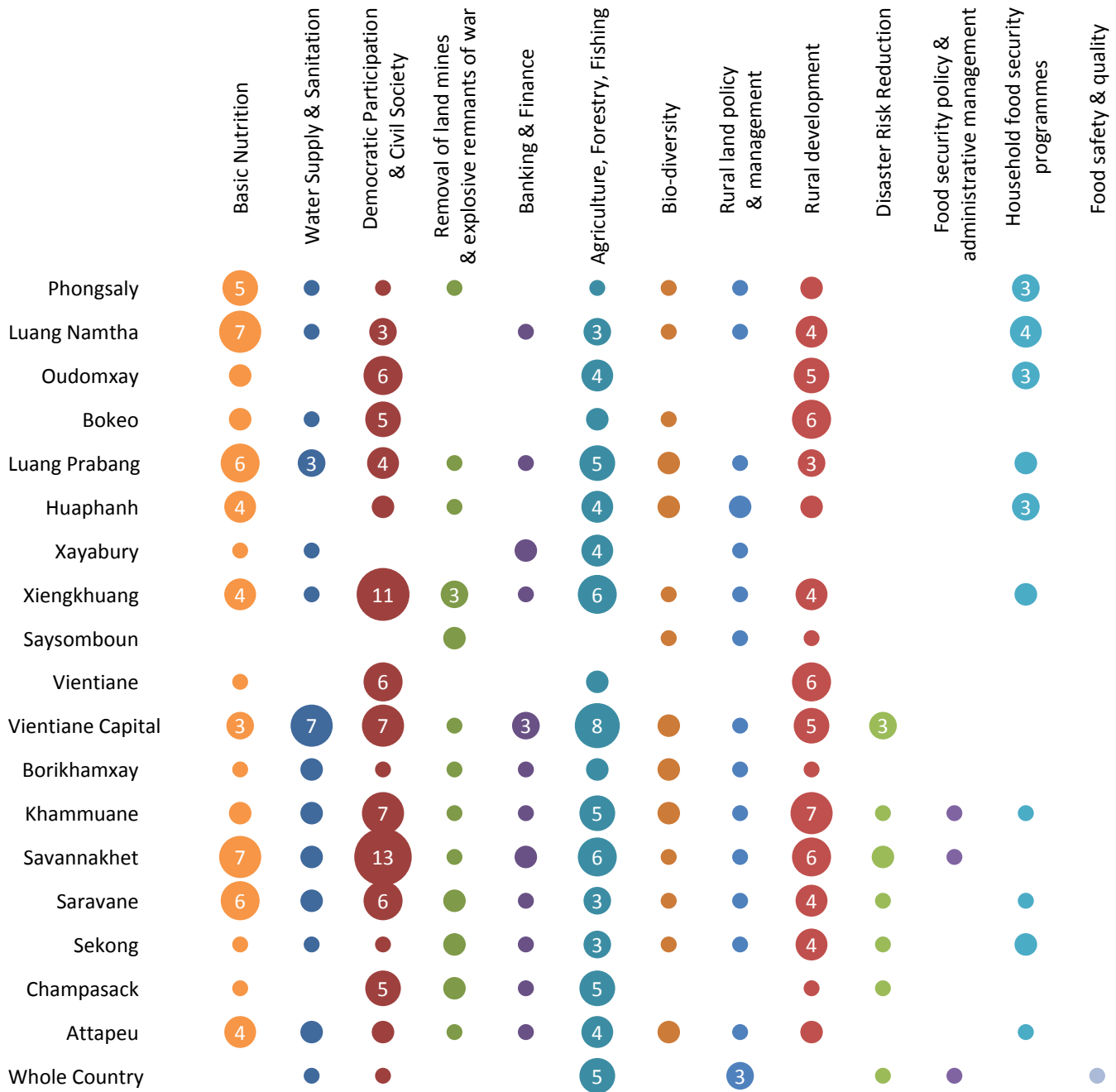
While Map 1 and Map 2 reveal the density and number of development cooperation implementation locations, Map 3 and Figure 3 summarize the distribution of the number of different AFS projects by sector and province (i.e. number of different projects, rather than total number of project locations). Disaster management projects appear to focus largely on the southern part of the country, while basic nutrition projects are most numerous in the three northern provinces of Phongsaly, Luang Namtha, and Luang Prabang, as well as in the two southern provinces of Savannakhet and Saravane. Although Khammuane province has a rather low density of development cooperation projects, it is the province with the highest number of different rural development projects. CSO activities are particularly numerous in Xiengkhuang and Savannakhet provinces, as well as of course in the capital Vientiane. There appear to be almost no project with an explicit food safety focus, apart from the FAO regional food safety standards project, although many rural development projects in various sectors (such as e.g. LURAS) have a food safety component. Particularly few projects – overall, as well as only in the AFS domain - are being implemented in Xaysomboune, as well as in Xayaboury and Champasack provinces. General rural development projects are being implemented across the country, although with notable gaps in the above-mentioned provinces with general gaps in development cooperation.

The maps in Annex 2 reveal the spatial distribution of the projects in the different sectors and sub-sectors within AFS, while the maps in Annex 3 provide an overview of the locations of projects by the different donor countries and institutions.

In terms of bilateral development cooperation, the EU, Switzerland, Luxembourg, France, Germany, Japan and South Korea are the main DPs of the Government of the Lao PDR in the AFS domain, funding the largest number of projects in the field.

- EU’s ODA has a strong focus in the northern provinces. Particularly in the province of Luang Namtha and to a lesser in Phongsaly and Xiengkhuang Provinces. The projects, implemented mainly by CARE and HELVETAS, aim to improve nutrition and food security in the uplands
- ODA from The Government of Switzerland is also concentrated in the northern provinces, particularly in Luang Prabang, Huaphanh and Xiengkhuang, plus – primarily through the Poverty Reduction Fund (PRF), also in the poor mountainous areas in the south-east.
- The Government of Germany is active in the provinces of Bokeao, Luang Namtha, and Huaphanh in the north, in Vientiane Capital, and in the eastern part of Khammuane, in Sekong and in Saravane provinces in the south.

Figure 3: AFS Development Cooperation Projects by Sector and Province



Other important sources of ODA in the AFS field are The Grand Duchy of Luxembourg, the United States and the Government of Australia.

- The Grand Duchy of Luxembourg concentrates its resources in Oudomxay and Xayabury Provinces, Khammuane Province and to a lesser extent Xiengkhuang Province.
- United States' ODA is concentrated in the central provinces of Khammuane and Savannakhet through the USAID Nurture project.

- The Government of Australia through the Australian Centre for International Agricultural Research (ACIAR) is active in Xayabury, Luang Prabang and Xiengkhuang in the north, in Vientiane Municipality and Savannakhet in the Center and in Champasack province.

Multilateral development cooperation in AFS is led by the United Nation Agencies such as UNDP, UNICEF, FAO, WFP and ILO:

- UNICEF has two projects in the field of Nutrition and Food Security and Water and Sanitation (WASH) active in the same villages.
- UNDP is especially active in disaster risk reduction and climate change adaptation in Xayabury, Xiengkhuang, Luang Prabang, Savannakhet, Saravane and Sekong.
- The WFP implements a nutrition project aimed at improving school meals in the most northern provinces of the country (Luang Namtha, Oudomxay, Luang Prabang and Phongsaly) and in the Saravan, Sekong and Attapeu Province.
- The FAO focuses on Climate Change Adaptation in wetlands areas in the Provinces of Savannakhet and Champasack.

The International Financial Institutions in the sector are mainly represented by the Asian Development Bank (ADB), the World Bank (WB) and the International Fund for Agricultural Development (IFAD) of the United Nations. The ADB project is in the water supply and sanitation sector while the IFAD projects are in the field of nutrition, food security, climate change adaptation and disaster risk reduction. These projects have a focus particularly in the southern provinces of Saravane, Sekong and Attapeu and more generally in the northern provinces of the country. The WorldBank support to the multi-sectoral PRF (together with Switzerland) focusses on the poorer districts in both the north and the south.

In terms of gaps by sectors, the following main patterns can be observed:

Projects with an explicit focus on basic nutrition are mainly covered by UNICEF, which has a broad national coverage. However, there are no or only very few such projects in Xayabury, Vientiane, Xaysomboune, Khammuane, Sekong and Champasack provinces.

Food security projects – mainly supported by IFAD, the EU, and Switzerland, cover some of the poorer areas which typically experience food shortages. Nonetheless, many of the south-eastern districts along the border with Vietnam, such as Kaleum district in Sekong province, Ta oi district in Saravane province, Buarapha and Nakai districts in Khammuane province, or e.g. Xaychamphone district in Borikhamxay province have no such project.

Bio-diversity focused projects are covering important natural resource areas of the country, predominantly with the support of Switzerland and Germany. The most obvious gap in this regard might be in Phongsaly province, where such activities focus primarily on Boontai district.

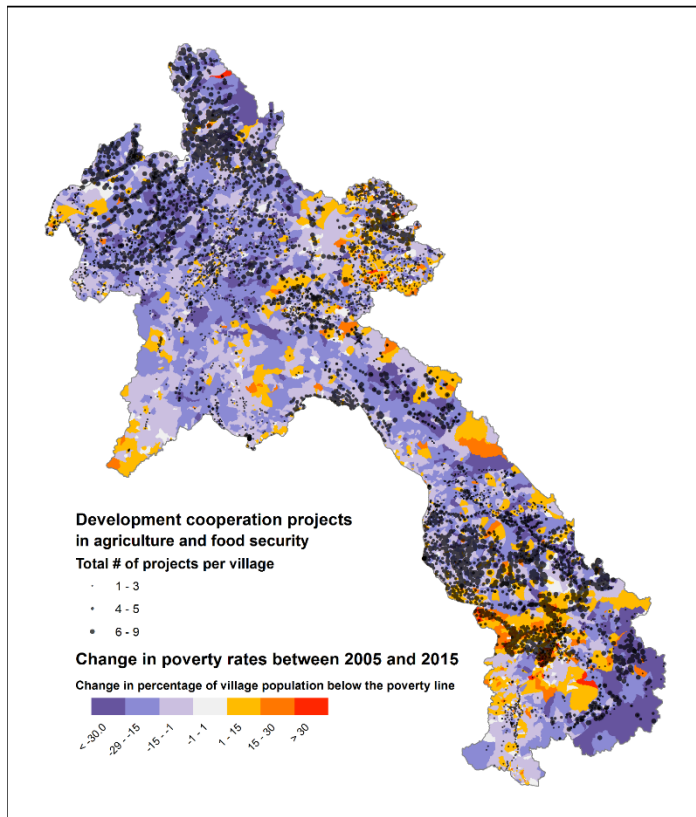
While general agriculture and rural development project activities have a broad coverage across most of the country – except for the gaps in Xaychamphone district of Borikhamxay province, and much of Xayabury and Xaysomboune provinces, rural finance service projects appear to be limited to the GiZ-supported target provinces of Luang Namtha, Bokeo, few districts in Savannakhet, in Saravane, Champasack and Attapeu provinces.

Socioeconomic context of development cooperation projects

As illustrated in Map 1, which shows the distribution of AFS development cooperation projects against the background of village-level poverty incidence of 2015 (i.e. the share of the village population that lived below the poverty line in 2015),

development cooperation projects focus on many of the poorest areas of the country, particularly in Savannakhet and Saravane provinces in the south, as well as e.g. on poorer areas of Xiengkhuang and Huaphanh provinces. Nonetheless, there are also rather poor areas with only few development cooperation projects. These areas include particularly eastern parts of Khammuane and Sekong provinces.

Map 4: Location & number of development cooperation activities in the AFS domain and changes in village-level poverty rates between 2005 & 2015



On the other hand, there are large areas with many development cooperation projects that are not particularly poor. Indeed, as illustrated in Map 4 which reveals the changes in poverty rates between 2005 and 2015, in many areas with a high density of development cooperation projects, poverty reduction over that 10 years period was particularly strong, leaving these areas as comparatively less poor today. This can certainly at least to some extent be attributed to the success of these projects.

Products, geographic distribution and socioeconomic context of private sector activities

As described above, private business sector activities are based on information on the location of agricultural processing plants, land investments in the agriculture and tree plantation sectors, as well as on rural financial service providers.

Products and services of private business activities

Using data obtained from MoIC, the location of the following types of AFS-related processing factories was mapped:

- Agricultural processing factories (166)
- Rice mills/ processing factories (5634)
- Timber processing factories (244)
- Ice factories (607)

Not surprisingly, the rice processing facilities are by far the most numerous agricultural processing business in the Lao PDR.

Figure 4: Number and area of agriculture and livestock projects

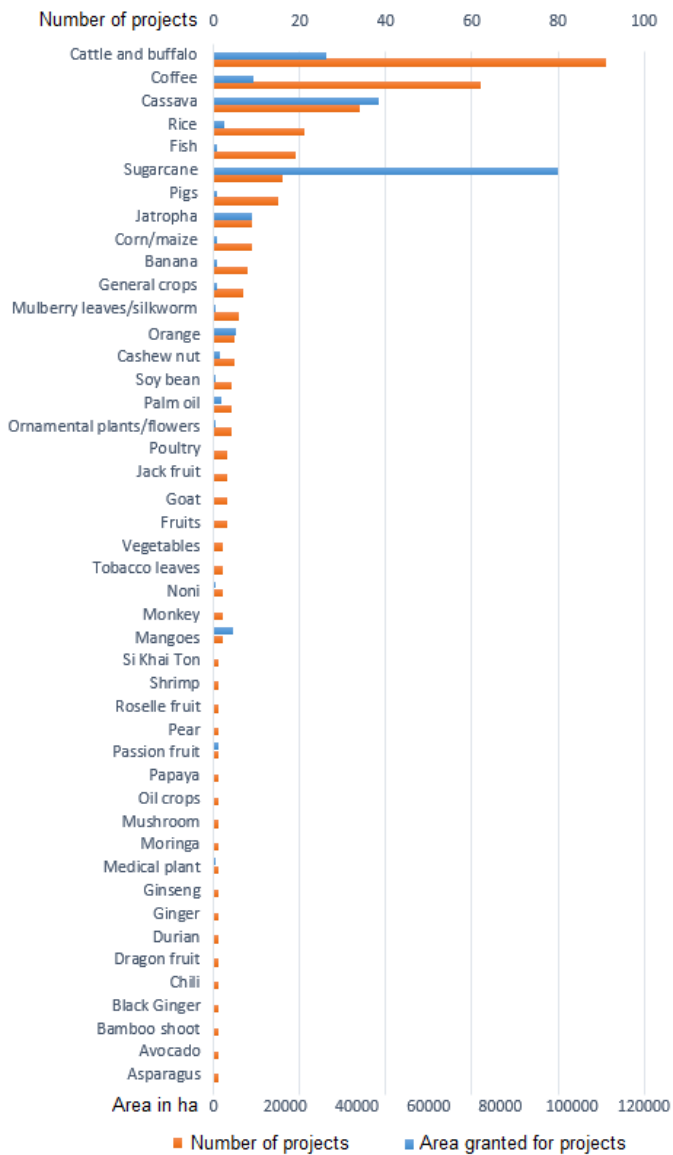
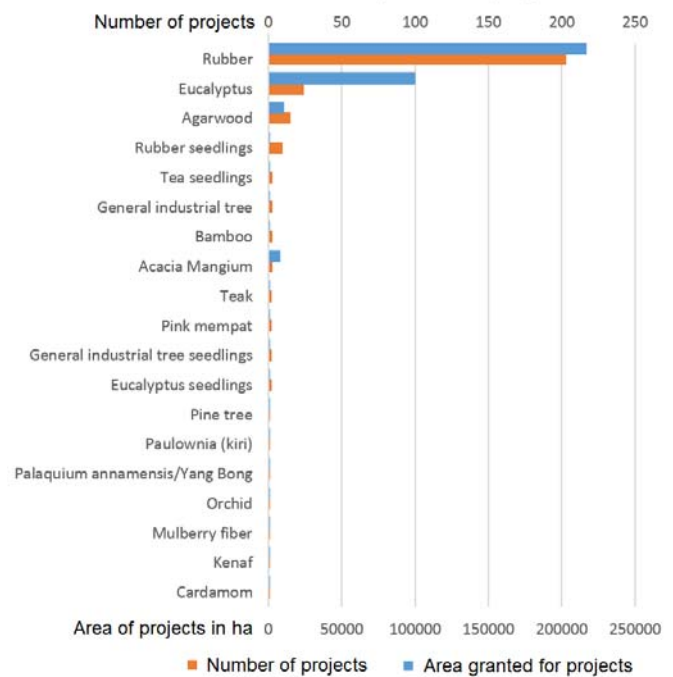


Figure 5: Number and area of tree plantation projects



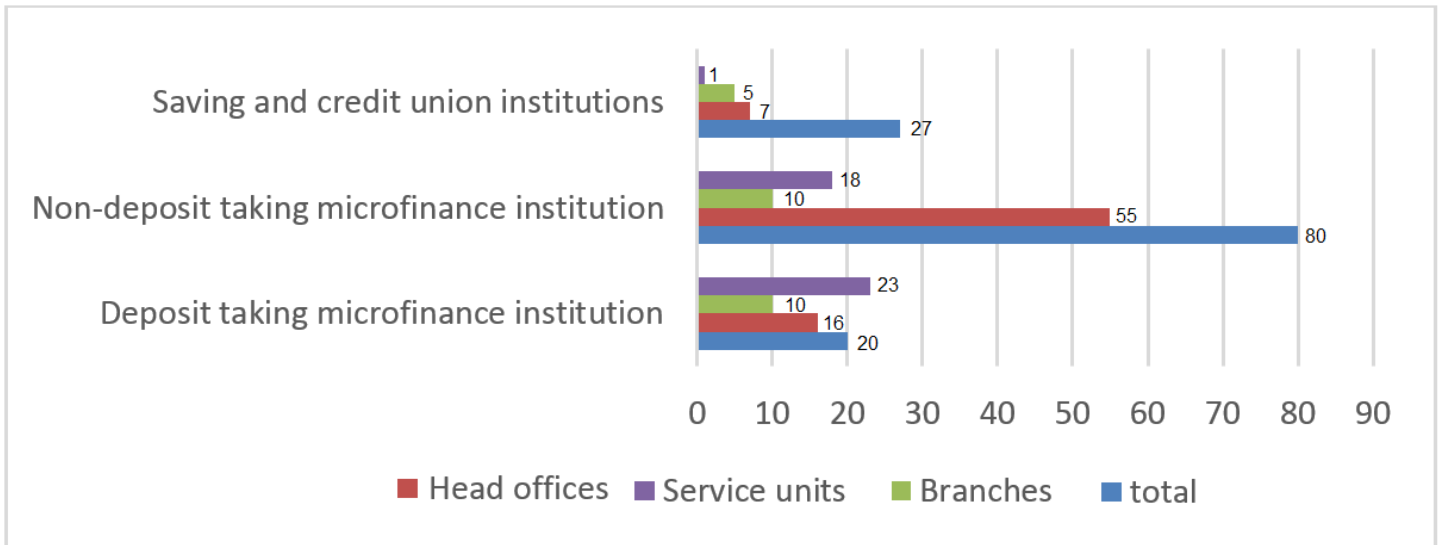
Commercial investments in land for agriculture, livestock, and tree plantation includes 449 investments projects in agriculture and livestock, producing 46 different main agricultural and livestock products, and 328 tree plantation projects growing 19 different main products. Main products in agriculture and livestock are cattle and buffalo farms, coffee and cassava in terms of number of projects, and sugarcane, along with cassava and cattle and buffalo in terms of areas granted for those projects (see Figure 4 and Figure 5 for more details).

According to the information obtained from the Lao Microfinance Association, there are three main types of microfinance service providers:

- Deposit taking microfinance institutions (20 companies)
- Non-deposit taking microfinance institutions (80 companies)
- Saving and credit union institutions (27 companies)

Of the 127 registered microfinance companies, 78 could so far be mapped. Those 78 institutions have 25 branches and 42 service units, distributed by service type as shown in Figure 6.

Figure 6: Number and type of microfinance institutions



Information on village banks could so far be obtained only from development cooperation projects that support them (namely GiZ's Access to Finance for the Poor (AFP) program), and has therefore been included in the microfinance sector of the development cooperation projects.

Village-level services and infrastructure information from Census of Agriculture 2011

The last Census of Agriculture was conducted in 2011, and the respective data is therefore already rather old. Nonetheless, it is the only nationally comprehensive dataset on certain village-level services and infrastructure relevant for AFS. Those relevant indicators are therefore presented here separately. Information on the following types of services and infrastructure are derived from the census database, linked to its spatial location and presented on maps here:

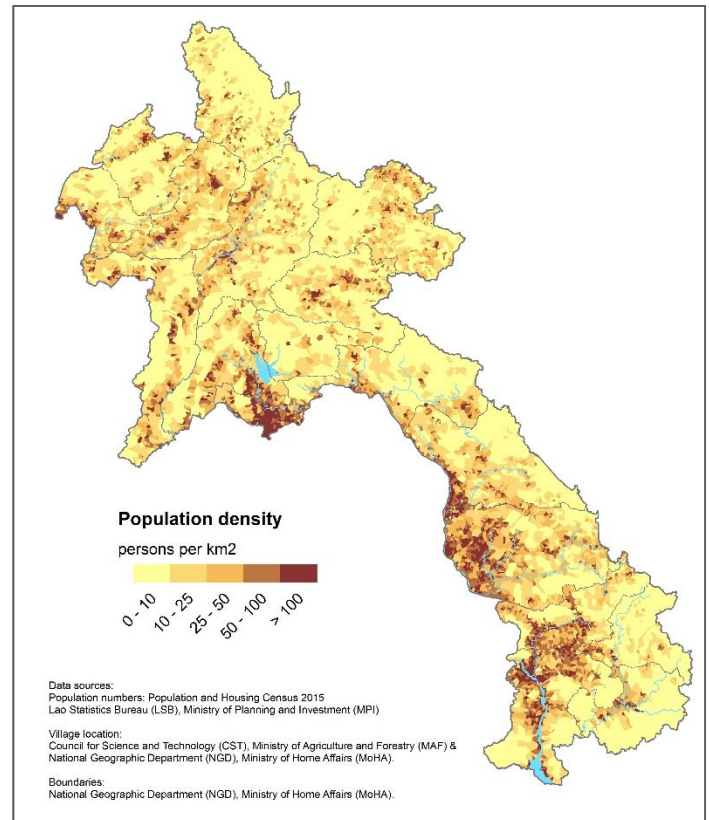
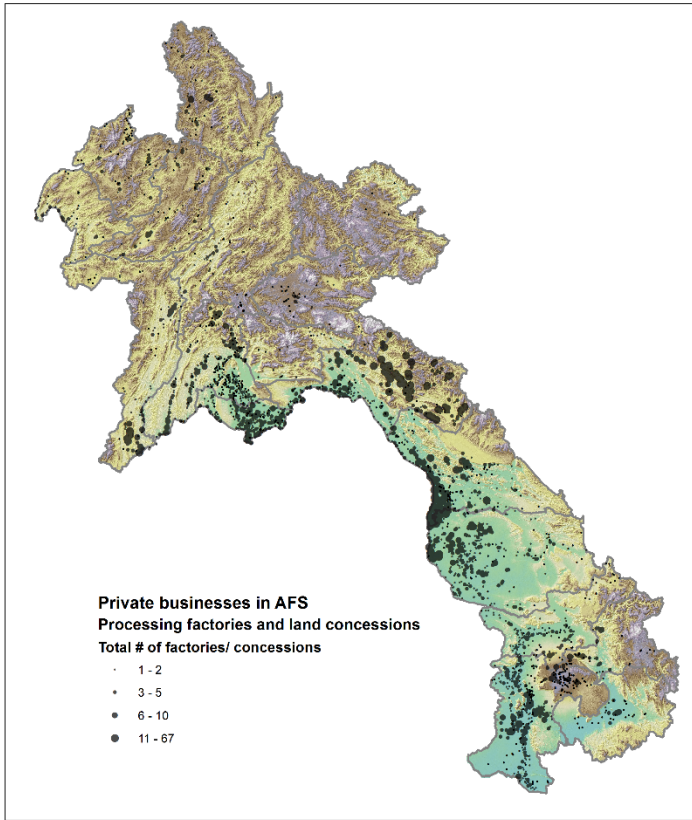
- Types of credit facilities:
 - o Public and private banks (1913)
 - Private domestic (151)
 - Private foreign (77)
 - Public bank (1685)
 - o Microfinance institutions (286)
 - o Village development funds (2998)
 - o Other credit facilities (203)
- Rice and livestock banks (1809)
 - o Rice banks (1306)
 - o Livestock banks (503)
- Trade groups (671)
- Markets (400)
- Farm input and machinery shops (1061)
 - o Agricultural machinery tool shops (534)
 - o Farm inputs (527)
- Irrigation facilities (4110)
- Veterinary services (5347)
- Veterinary clinic (222)
- Technical agriculture and forestry center (225)

Geographic distribution of private business activities

As shown in Map 5 and Map 6 private businesses operate primarily in lowland areas with comparatively higher population densities. This is not very surprising, as private businesses can only operate profitably when services can reach a certain minimum of consumers and clients. Service costs are currently likely still too high in remoter rural areas with sometimes difficult road access and low population density.

Map 5: Location and number of private business activities in the AFS domain

Map 6: Population density in 2015

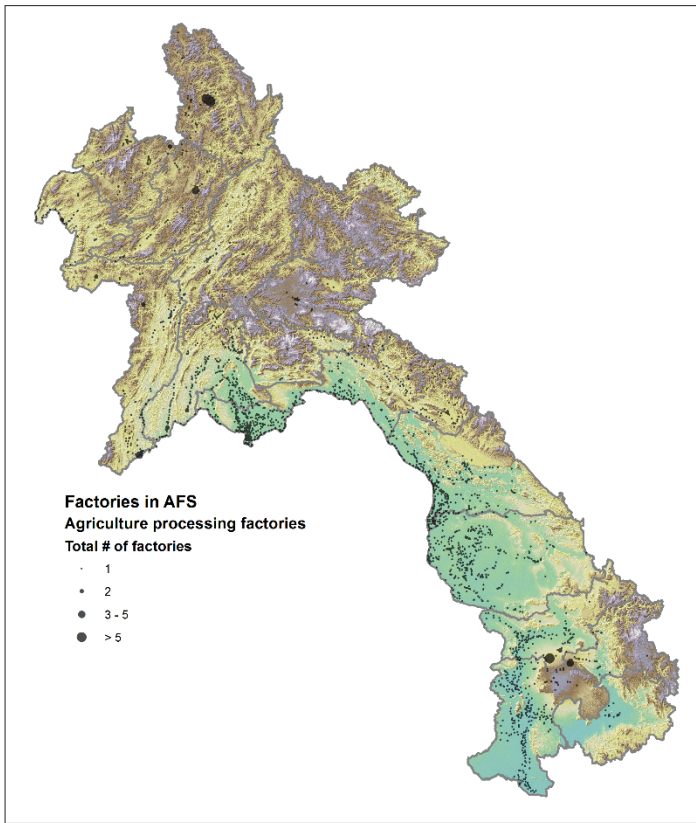


While processing factories are concentrated primarily along the Mekong and in proximity of provincial capitals, land concessions in agriculture and tree plantation are located in predominantly in Luang Namtha, in close proximity to the Chinese border, and in the southern provinces of Champasack, Attapeu and Sekong.

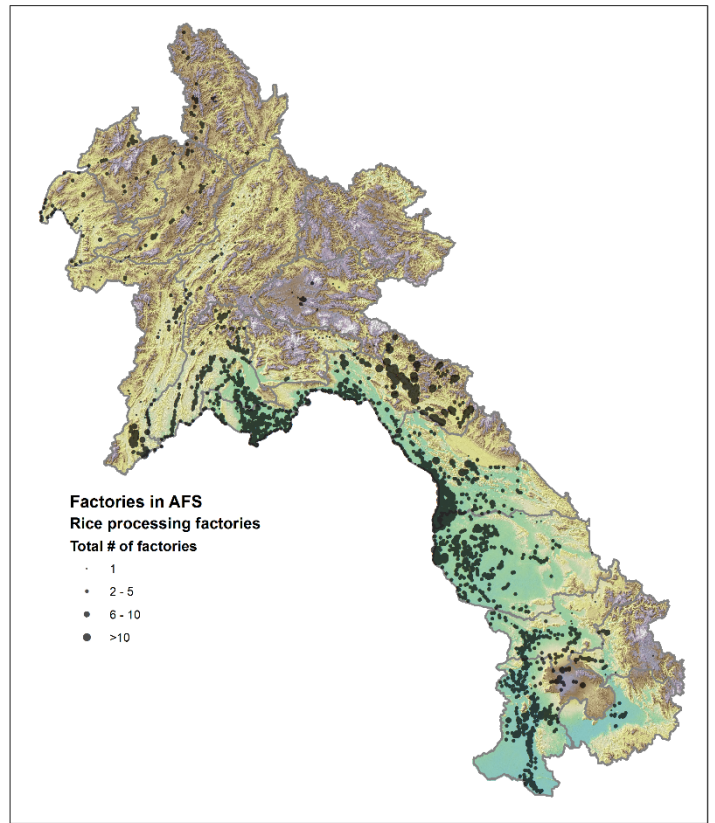
Map 7 - Map 10 illustrate the distribution of the different processing factories. Non-rice agricultural processing factories are predominantly in the lowlands, except for a few ones along the foothills of the Boloven Plateau and in the far north in Oudomxay and Phongsaly. Similarly rice mills are mainly concentrated in the rice-producing lowlands, although quite a number of them are also found in the valleys of the northern uplands. Of particular interest might be the ice producing factories, as they can bear special significance for the transport of high-value perishable agricultural products. Besides of the lowland areas, there are quite a number of those factories found in the north and northwest, although hardly any appear to be existing in the northeast.

Land concessions are mostly granted in well accessible lowland areas (see Map 11). Tree plantations are mainly located along the east-west corridor in Savannakhet province, around the foothills of the Boloven plateau, as well as along the greater Lao-China corridor. Agriculture and livestock concessions are also mainly in lowland areas, particularly throughout the lower Mekong plains, around Ponesavanh town in Xiengkhuang province, and on the Boloven plateau.

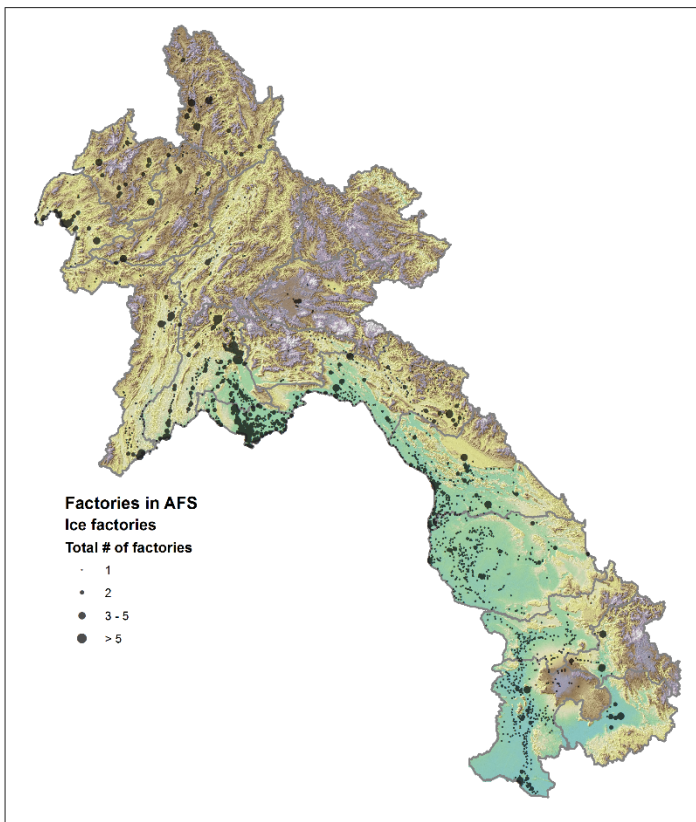
Map 7: Distribution of agricultural processing factories



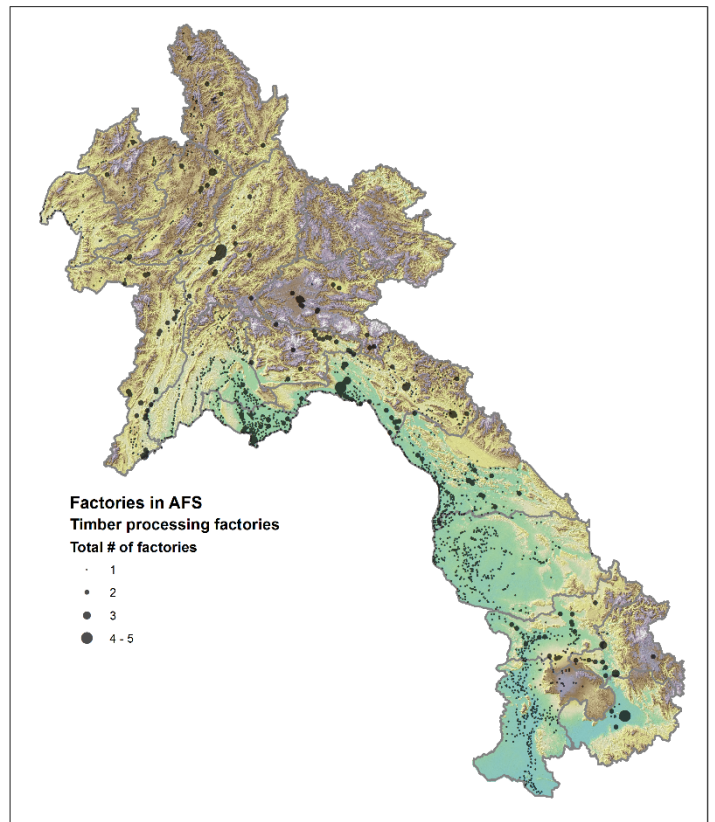
Map 8: Distribution of rice processing factories



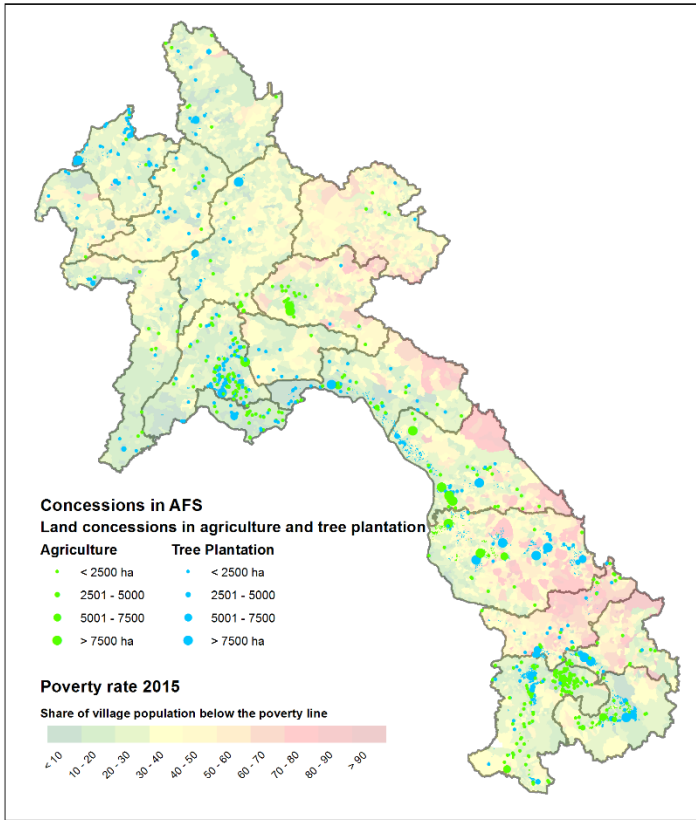
Map 9: Distribution of ice producing factories



Map 10: Distribution of timber processing factories



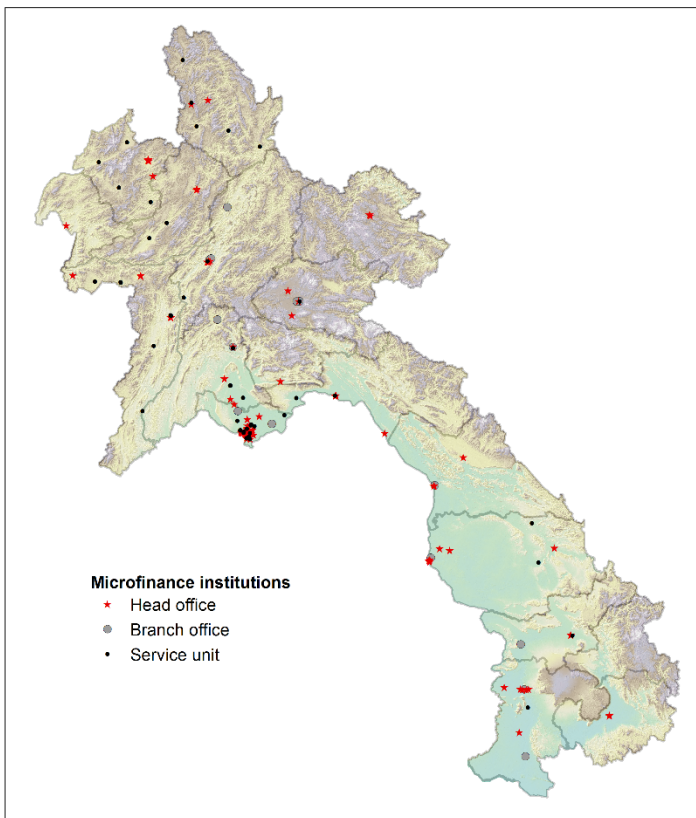
Map 11: Distribution of land concessions for agriculture/ livestock and tree plantations



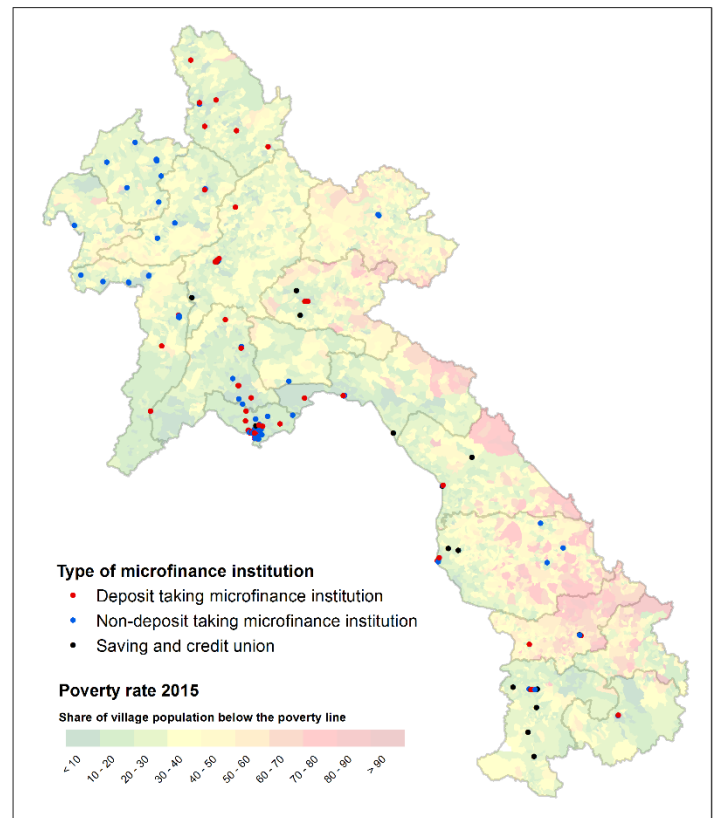
Map 12 depicts the distribution of the different offices of the country's microfinance institutions. With the exception of Sekong, there is at least one office of a microfinance service provider in each province. Deposit taking institutions are primarily in provincial capitals, although in Phongsaly, there are several deposit taking institutions also in district towns. Saving and credit union offices are particularly common in Champasack province.

Map 40- Map 50 in Annex 4 are based on the statistics from the Census of Agriculture of 2011, which is based on village-level reporting rather than an inventory of records of companies and services. The maps reveal a somewhat different picture compared to the maps using the current data compiled from different sources.

Map 12: Distribution of microfinance institutions and office type



Map 13: Distribution of types of microfinance institutions

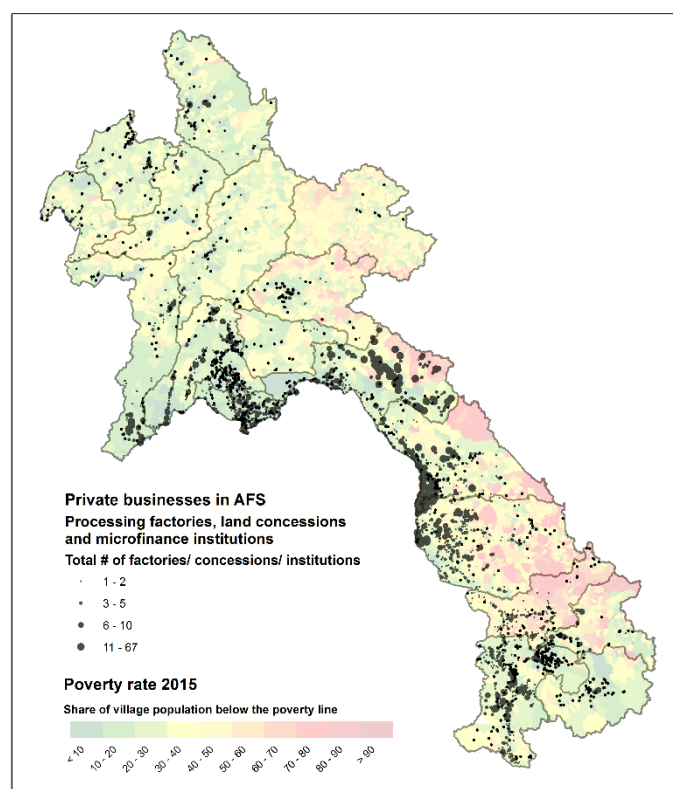


In the banking and financial sector, there appears to be quite a dense coverage of private and public banks throughout the country (Map 40), with most notable gaps in the densely populated areas of Savannakhet province, for instance. The information on microfinance institutions in 2011 (Map 41) reveal a similar pattern to today, although with a much denser coverage. It is likely that this reflects the inclusion of semi- and non-formal microfinance institutions here, too. While village development funds appear to have been existing widely all across the country (Map 42), credit facilities classified as ‘other’ appear particularly prevalent in Huaphanh and Xiengkhuang provinces (Map 43).

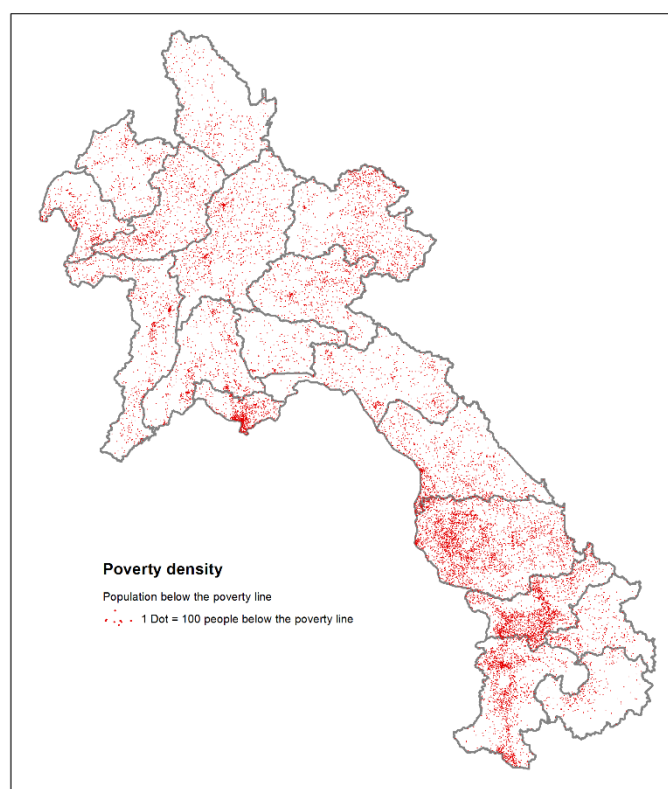
Other services and village infrastructure such as markets, farm input and machinery and tools shops appear relatively evenly distributed across the country, while there are some more obvious gaps for instance in veterinary service coverage for instance in Huaphanh and Sekong provinces.

Socioeconomic context of private business activities

Map 14: Location and number of private business activities in the AFS domain and poverty incidence at village-level



Map 15: Density of poverty in 2015



Due to the above discussed reasons, private businesses operate primarily in areas with comparatively low poverty rates, as shown in Map 14. In those areas with higher population densities, however, the density of poor people is also comparatively higher (Map 15). This means that the businesses operating in those areas can potentially reach a much higher number of poor people and at lower costs than what they could reach in remote poor areas. The country’s most marginalized areas, i.e. the eastern areas of the county including Huaphanh and Xiengkhuang in the north, and the eastern part of Borikhamxay, Khammuane, Savannakhet, Saravane and Sekong provinces have therefore little opportunities to benefit from services and employment opportunities typically offered by private companies in other parts of the country.

Conclusions

This analysis integrates information on type and location of activities in the agriculture, rural development and food security sectors from a range of different stakeholders. The resulting information base reveals a number of geographic and thematic patterns:

- There continues to be a strong focus of development cooperation activities in the uplands and often remoter rural areas of the Lao PDR, where in many cases significant reduction of poverty could be achieved in the past decade (particularly in the northern parts of the Lao PDR).
- There are a number of areas with obvious gaps in general coverage of development cooperation activities, particularly in parts of Khammuane, Sekong, Xayabury, Xaysomboune and Vientiane provinces.
- Private business activities tend to be in areas 'complementary' to those covered by development cooperation (i.e. largely not overlapping with areas of high concentration of development cooperation activities), which typically enjoy comparatively low poverty rates, higher population densities and generally good accessibility (compare Map 1 and Map 14). This spatial segregation could imply that a stronger collaboration of development cooperation with the private sector could take shape in support of local communities in rural remote areas (through development cooperation) to better benefit from urban and peri-urban economic growth through improved linkages to the private sector there.
- It is likely that private businesses can reach a large number of poor people in their main areas of operation, at least with certain services and potential job opportunities, although private businesses are unlikely to be able to provide all required services in those areas. Furthermore, private businesses cannot provide such services profitably in areas with low densities and poor general accessibility, as costs to reach potential clients likely exceed potential profits there.
- People in remoter rural areas can potentially benefit from rapidly developing transit and transport infrastructure, and their still relatively healthy natural resource base and traditional agricultural know-how to produce high-value niche and clean products for distant urban and peri-urban areas, where a growing middle class fuels demand for clean and domestic products.
- There is, however, potentially need for specific productions skills, marketing information and knowledge, basic business management skills, value chain support.
- There is, however, a need for improvement of linkages among elements of the different projects, such as stronger and more sustainable rural-urban and producer-trader-transport-consumer linkages.
- A strengthened link to and collaboration with the private sector can be a promising avenue to strengthen those producer-consumer linkages.
- Innovative information systems for the potential rural entrepreneurs can strengthen producer's market position and possibilities.
- Promotion of clean and high-value products can also improve nutrition at local/ producer level.

Annexes

Annex 1

OECD categorization of development cooperation activities

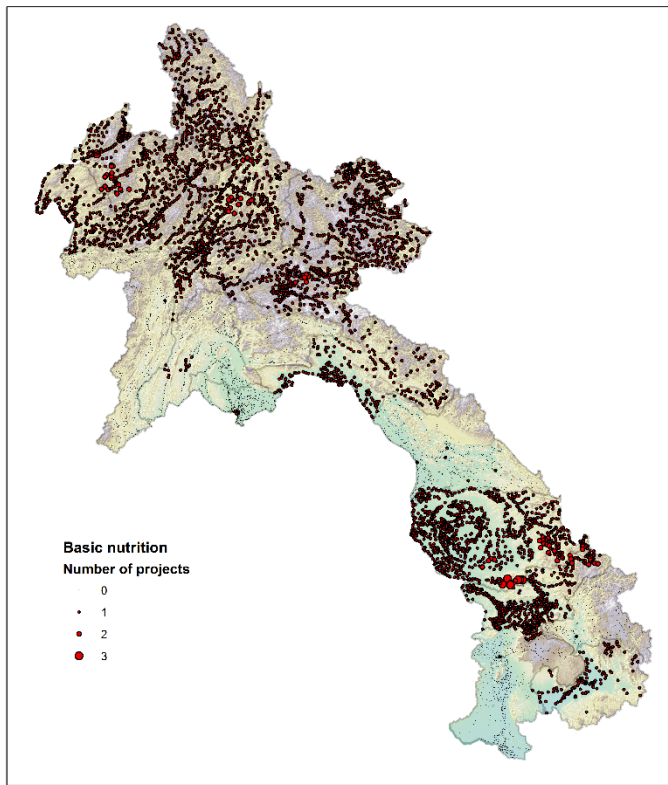
The table provides an overview of the OECD sectors, sub- and sub-sub-sectors, and highlights the sectors, sub- and sub-sub-sectors relevant in the AFS domain. Due to the size of the table, it is provided digitally online under the following web-address:

http://www.decide.la/en/downloads/index/OECD_categories_2018.xlsx

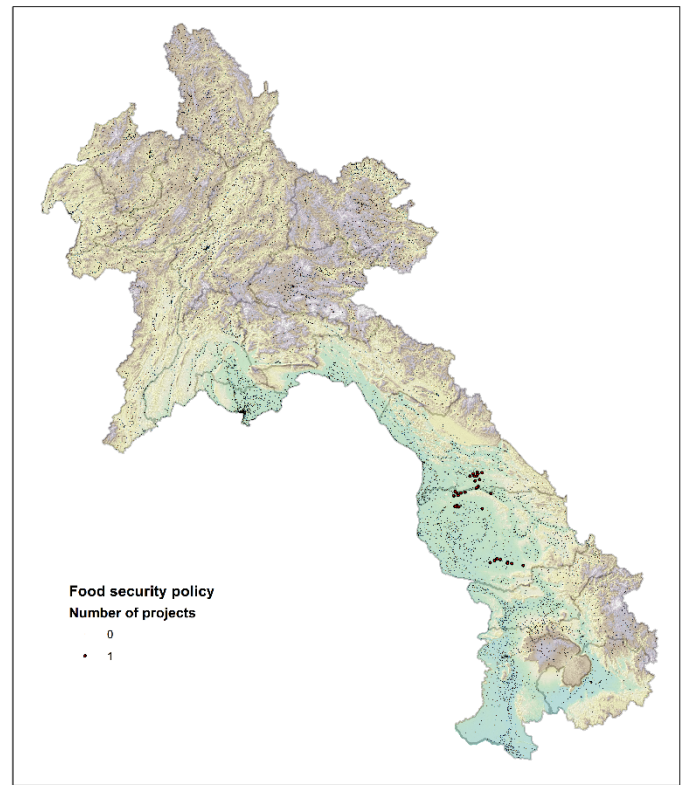
Annex 2

Location of development cooperation projects by sector and sub-sector in AFS

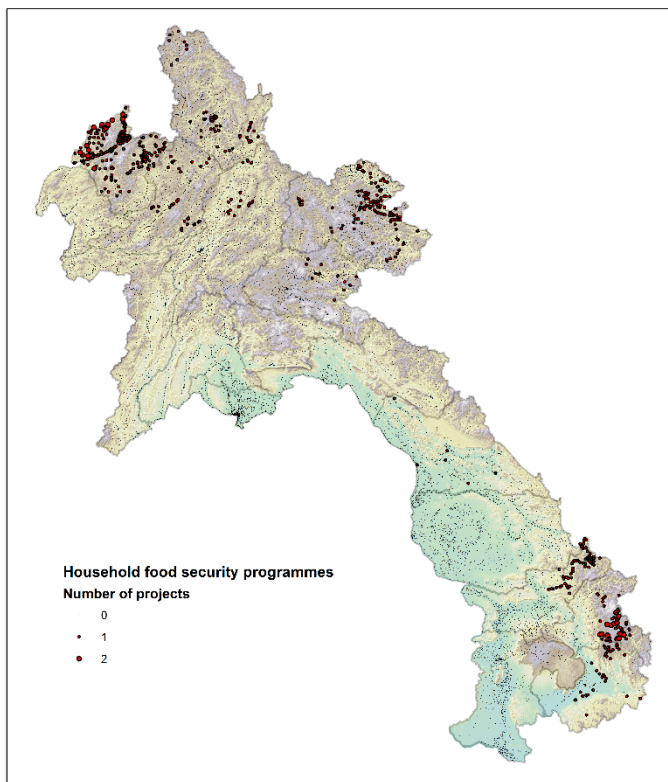
Map 16: Development cooperation projects in basic nutrition



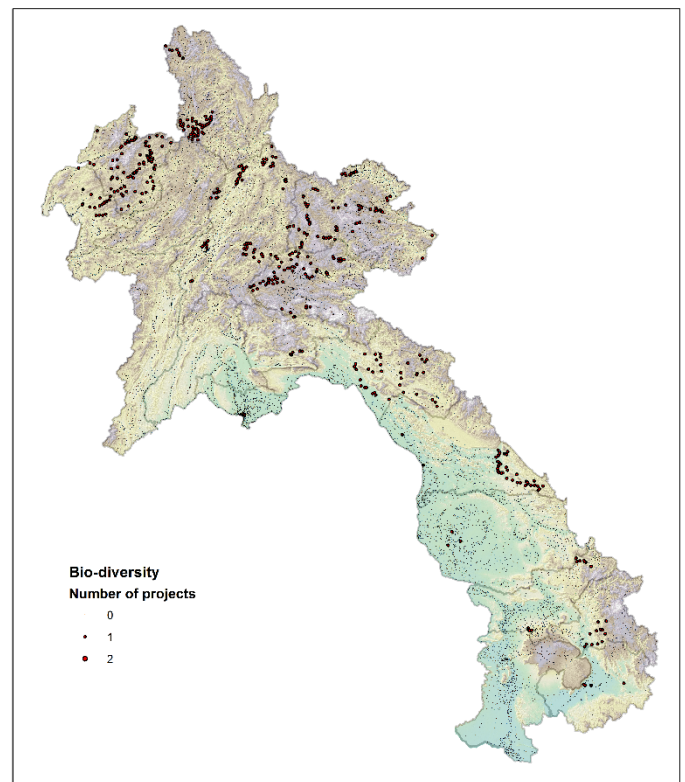
Map 17: Development cooperation projects in food security policy



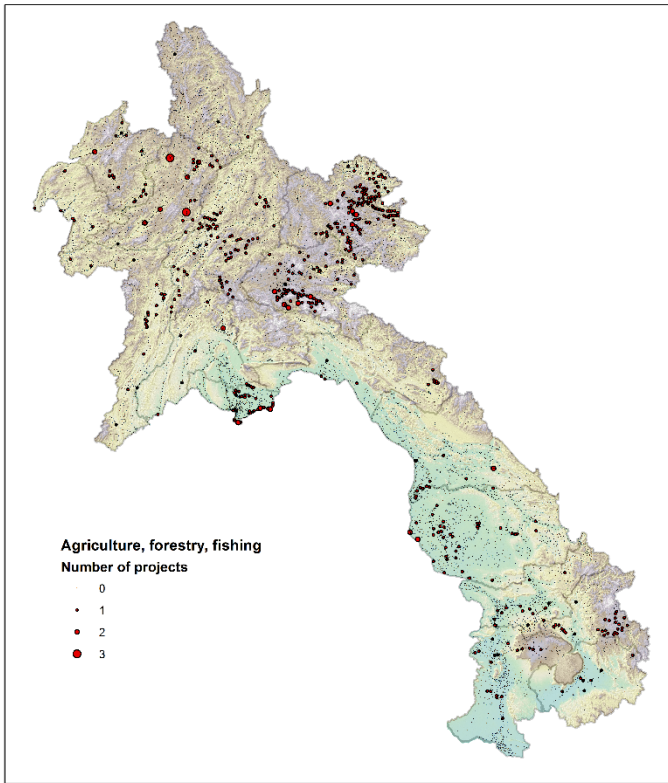
Map 18: Development cooperation projects in household food security



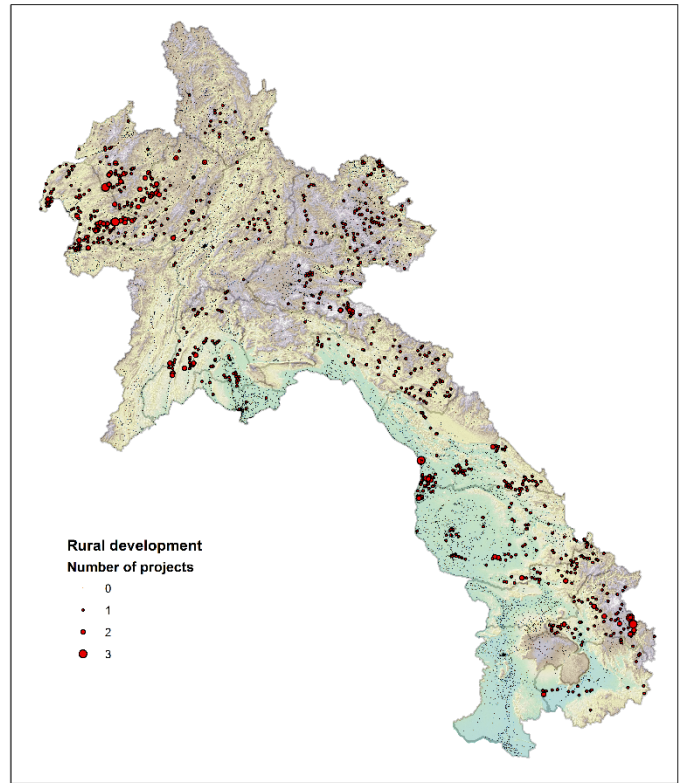
Map 19: Development cooperation projects in bio-diversity aspects



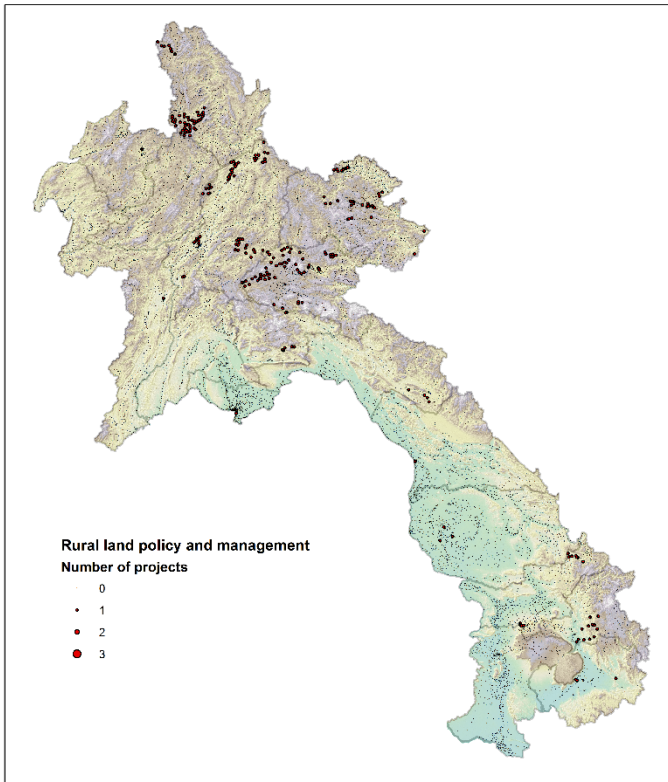
Map 20: Development cooperation projects in agriculture



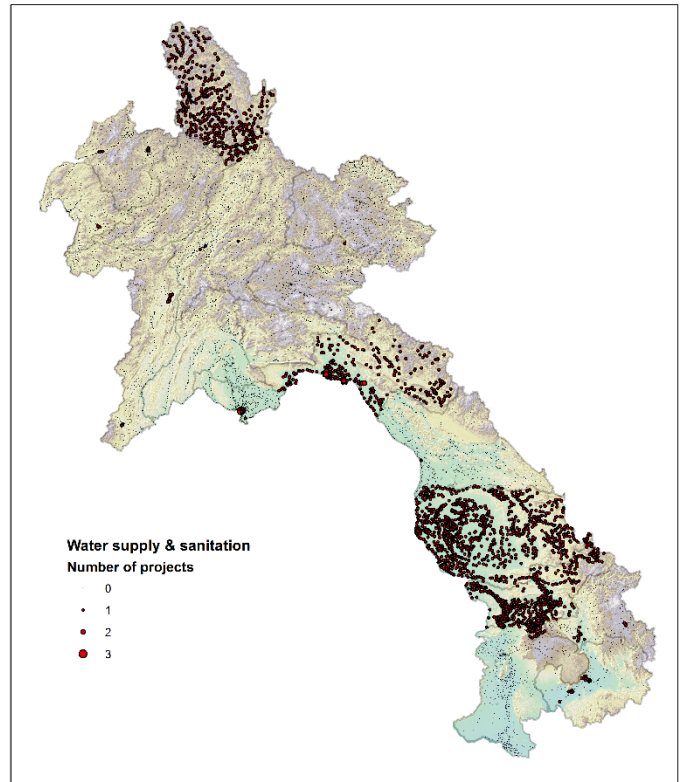
Map 21: Development cooperation projects in rural development



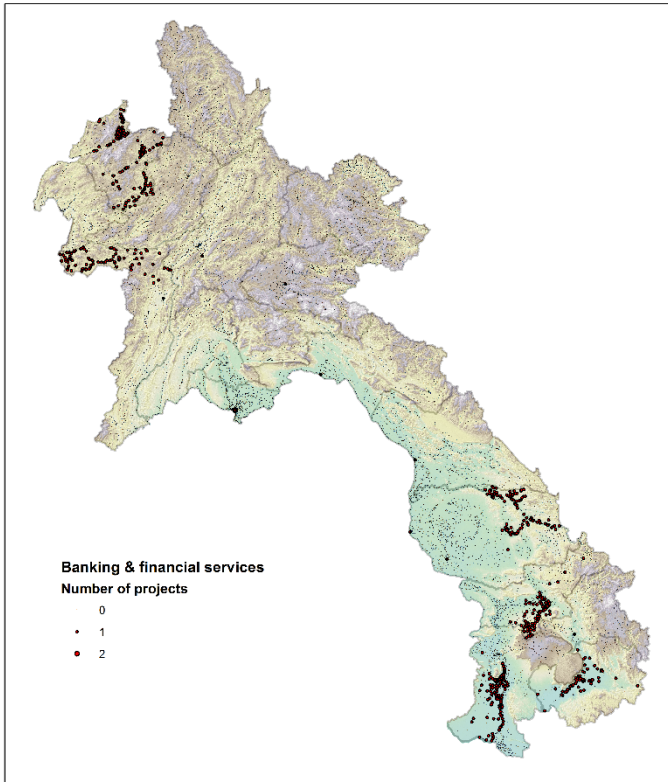
Map 22: Development cooperation projects in rural land policy and management



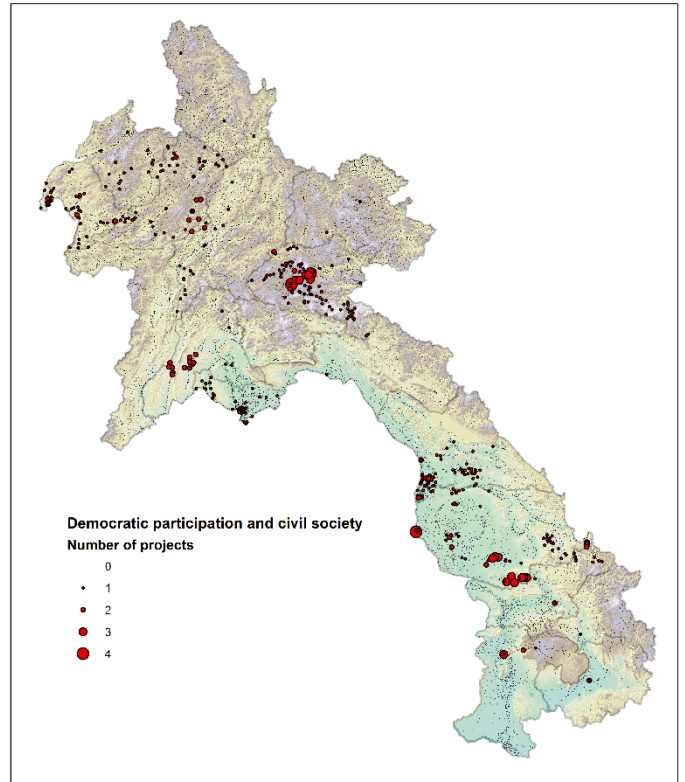
Map 23: Development cooperation projects in water supply and sanitation



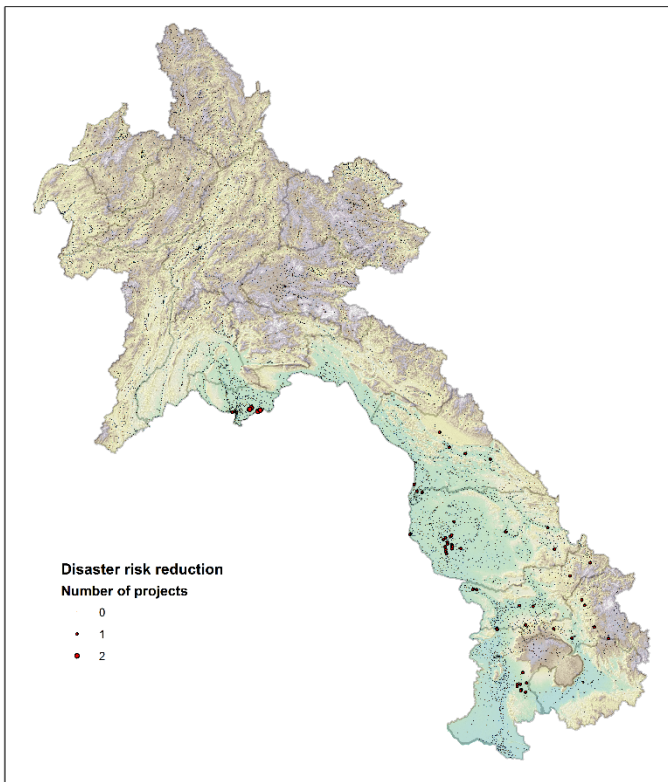
Map 24: Development cooperation projects in banking and financial services



Map 25: Development cooperation projects in democratic participation and civil society matters (CSO activities)



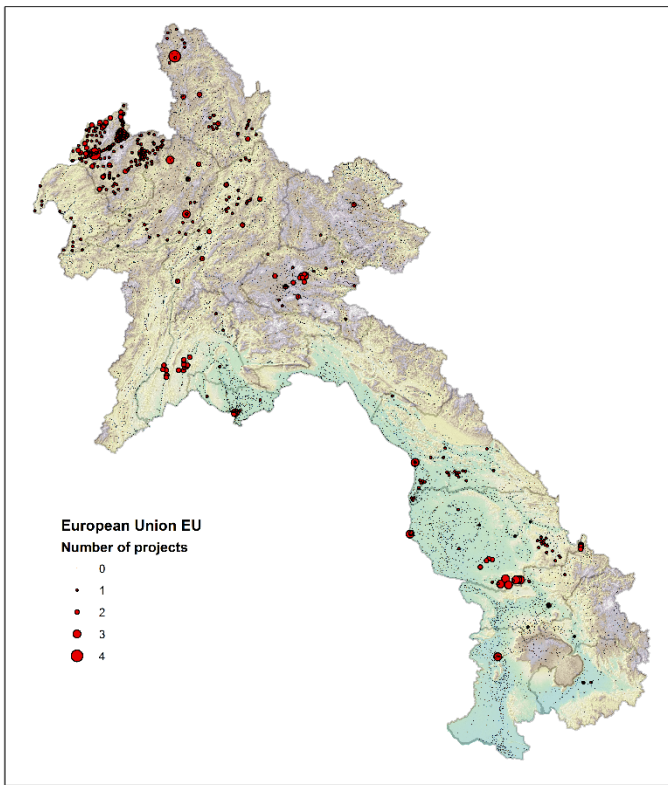
Map 26: Development cooperation projects in disaster risk reduction



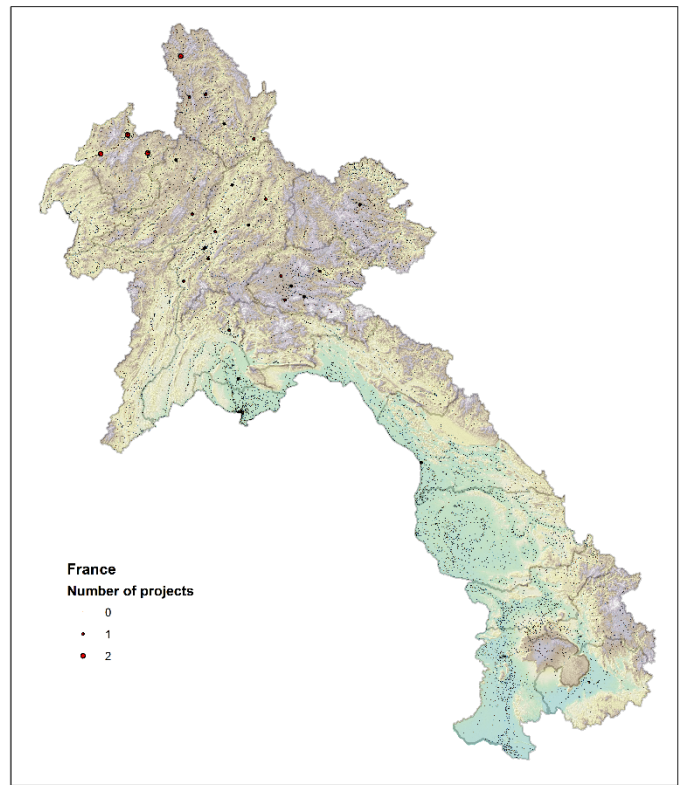
Annex 3

Location of development cooperation projects in the AFS domain by development partner

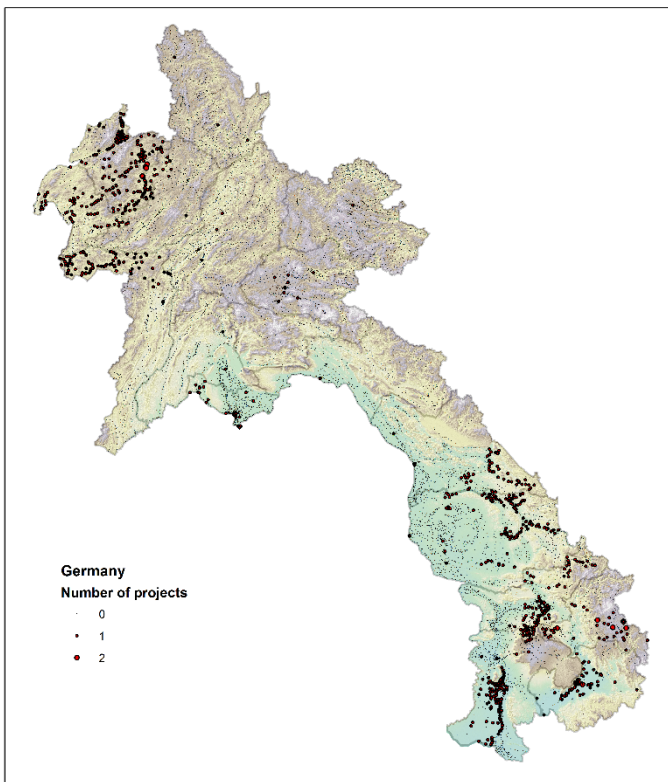
Map 27: Development cooperation projects supported by the EU



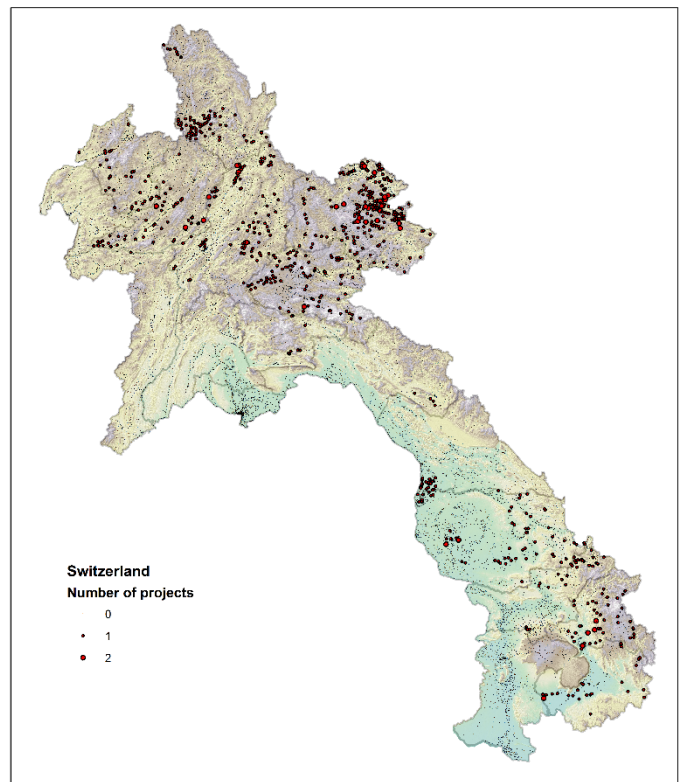
Map 28: Development cooperation projects supported by France



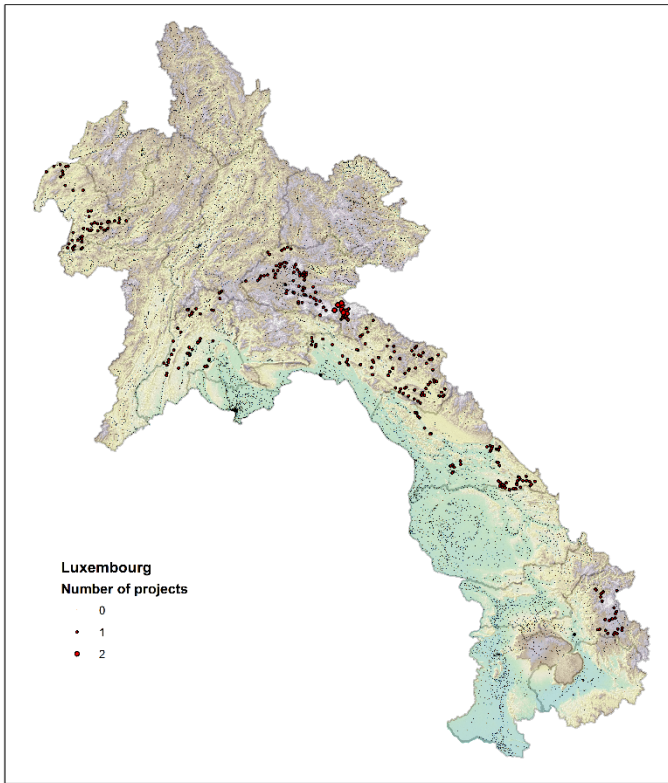
Map 29: Development cooperation projects supported by Germany



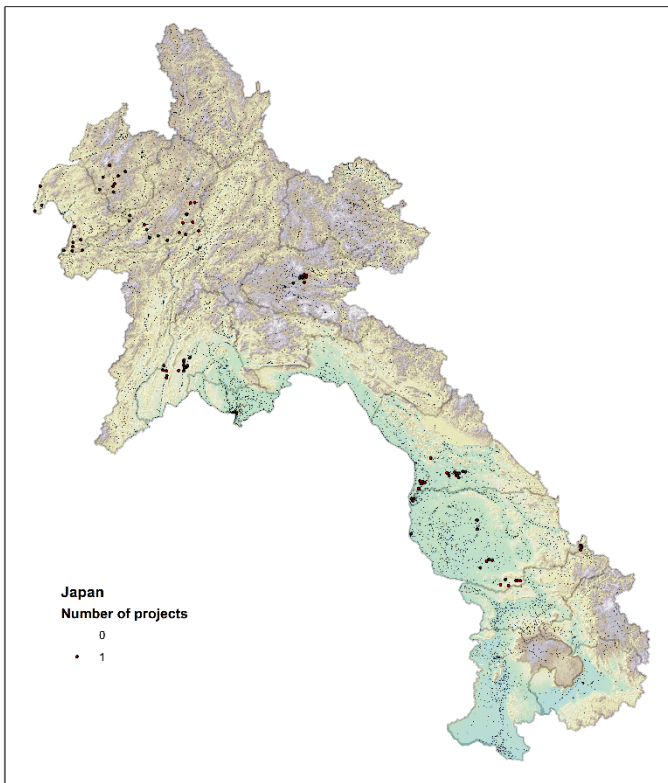
Map 30: Development cooperation projects supported by Switzerland



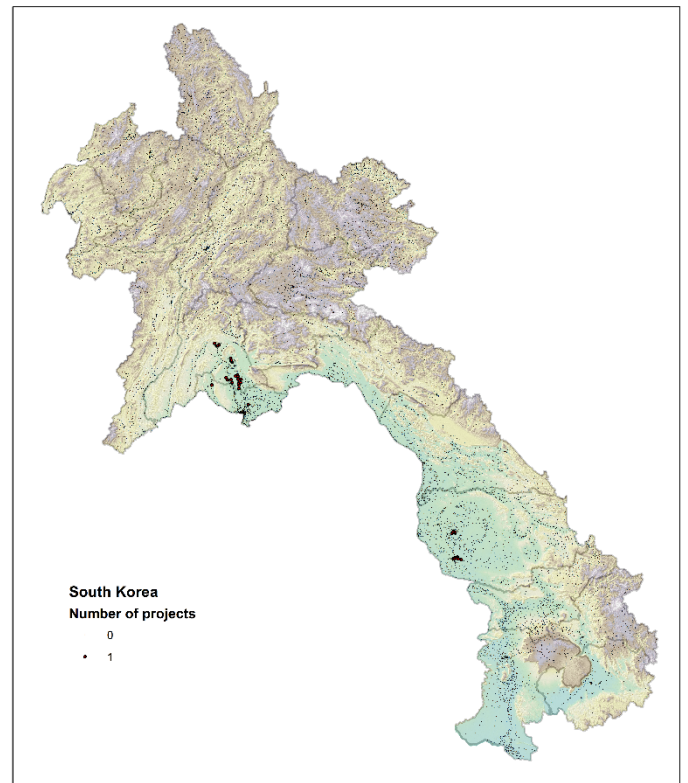
Map 31: Development cooperation projects supported by Luxembourg



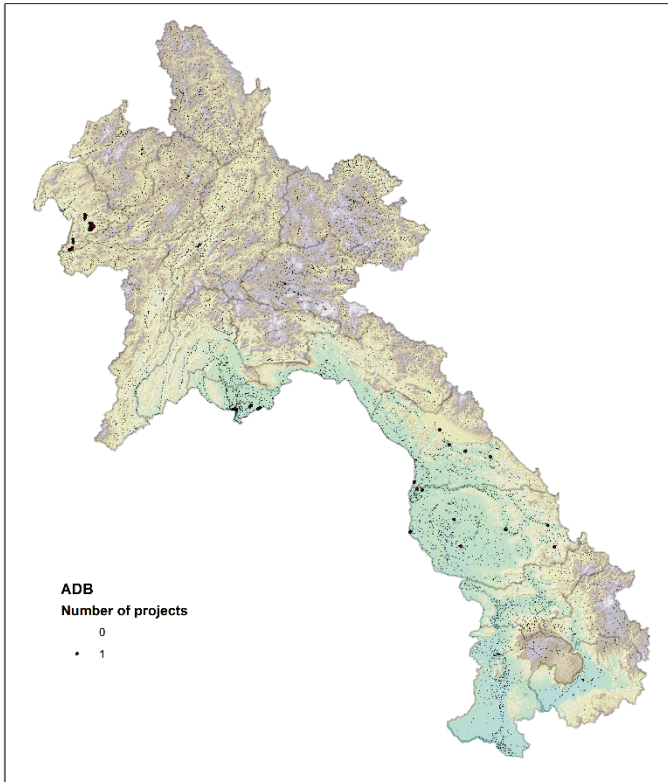
Map 32: Development cooperation projects supported by Japan



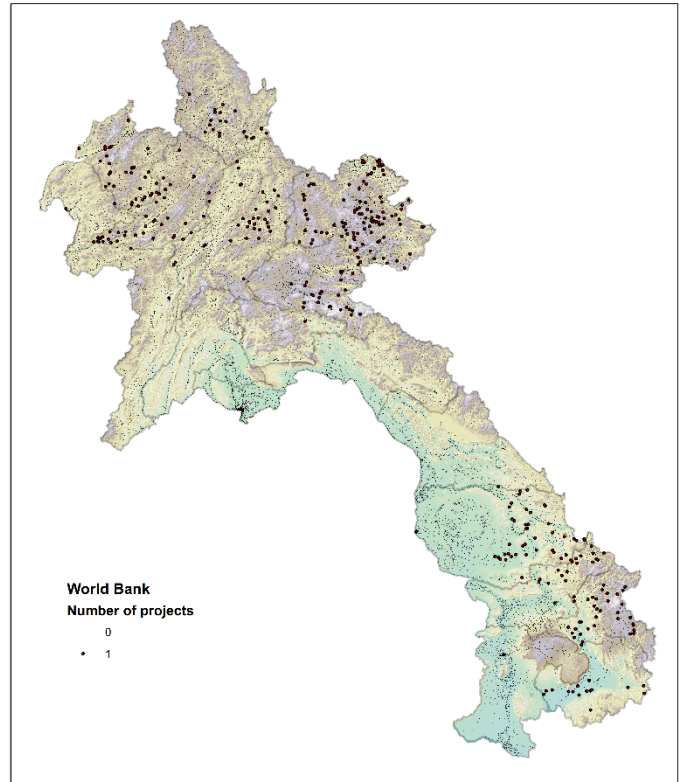
Map 33: Development cooperation projects supported by South Korea



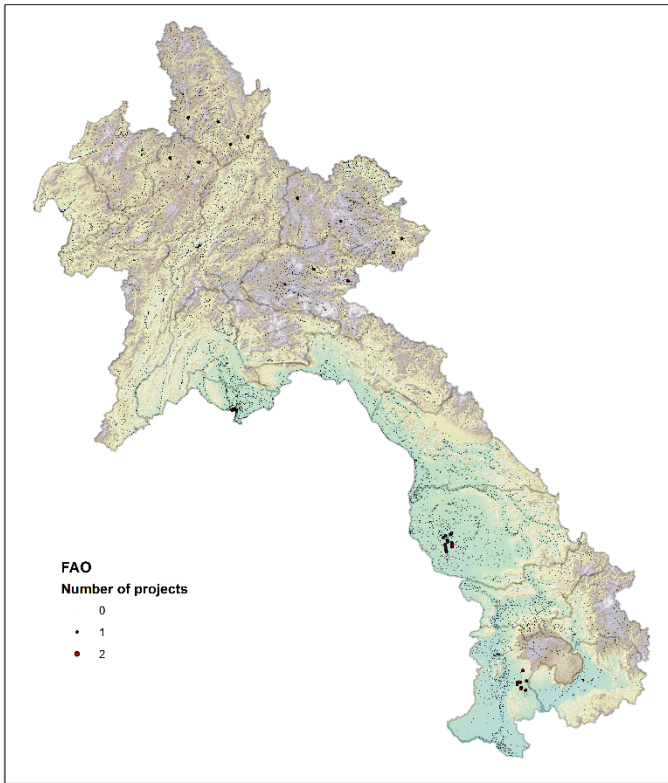
Map 34: Development cooperation projects supported by ADB



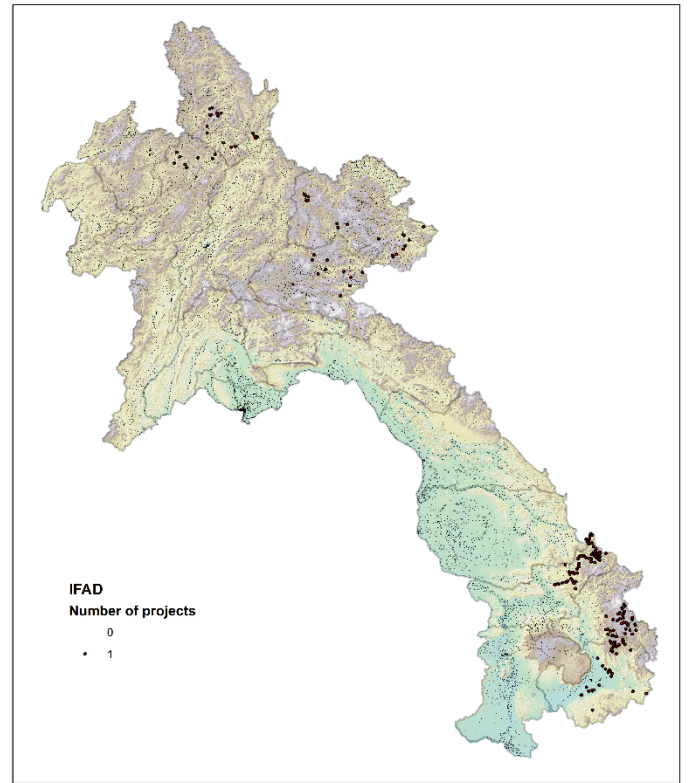
Map 35: Development cooperation projects supported by the World Bank



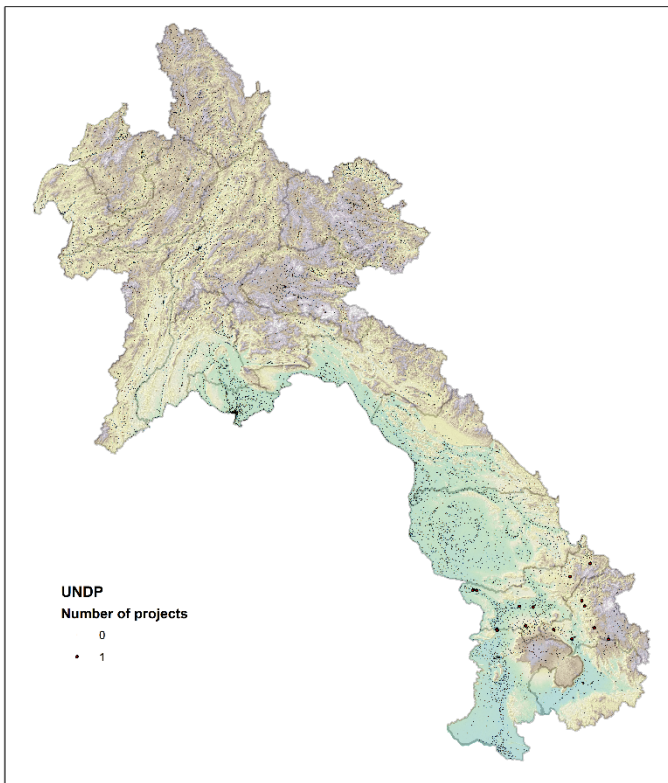
Map 36: Development cooperation projects supported by FAO



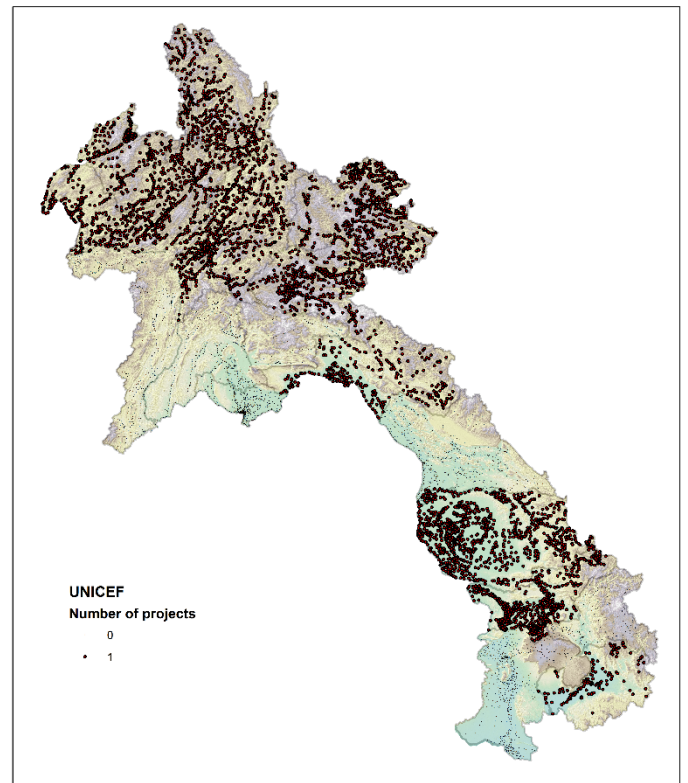
Map 37: Development cooperation projects supported by IFAD



Map 38: Development cooperation projects supported by UNDP



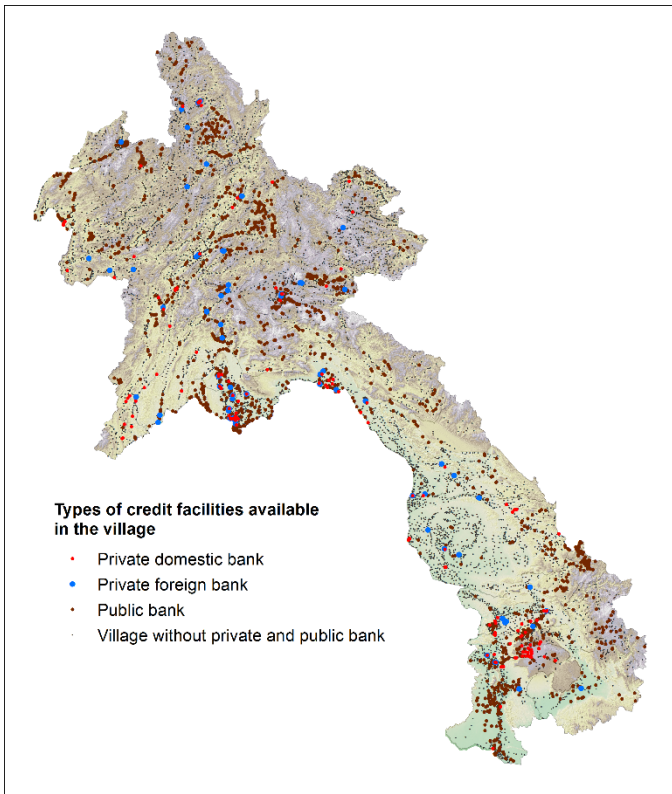
Map 39: Development cooperation projects supported by UNICEF



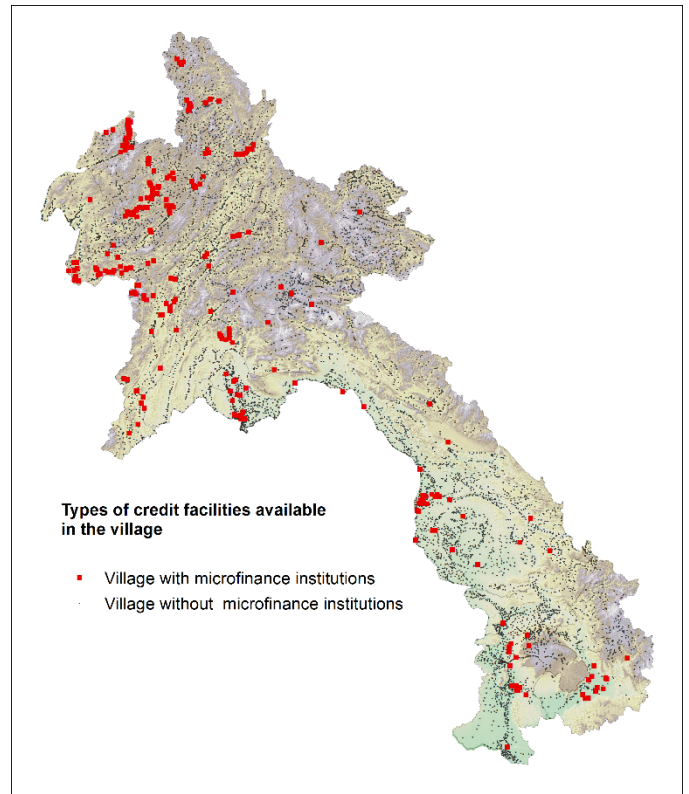
Annex 4

Location of village services and infrastructure in 2011

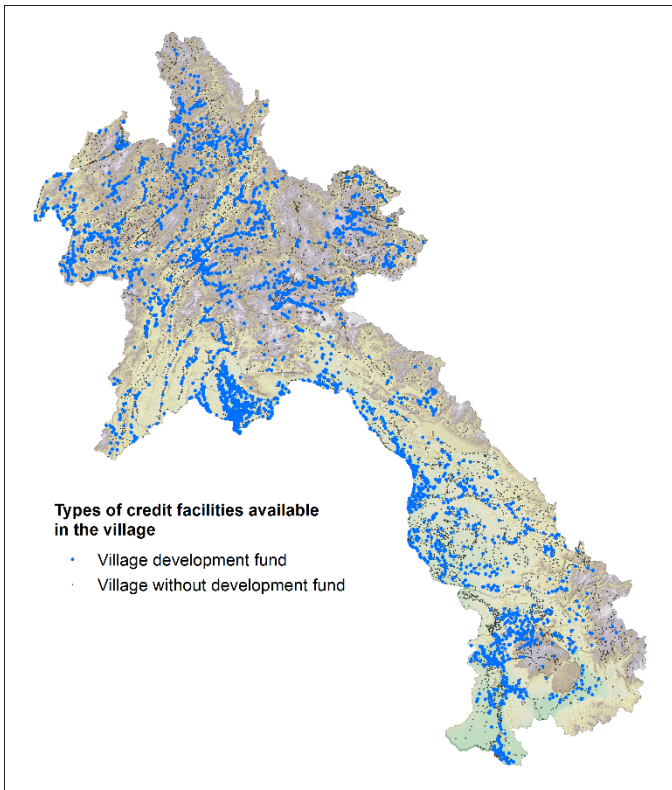
Map 40: Distribution of banks in 2011



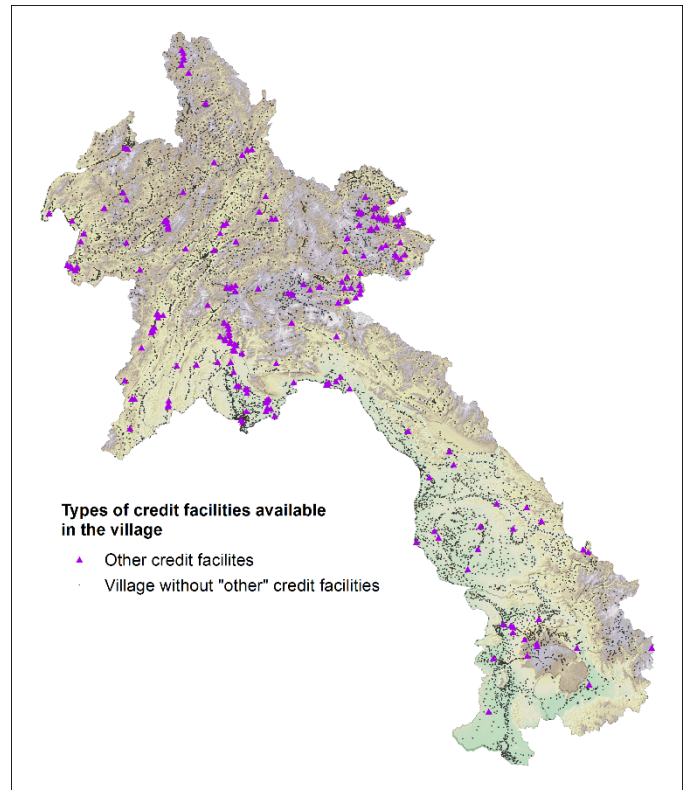
Map 41: Distribution of microfinance institutions in 2011



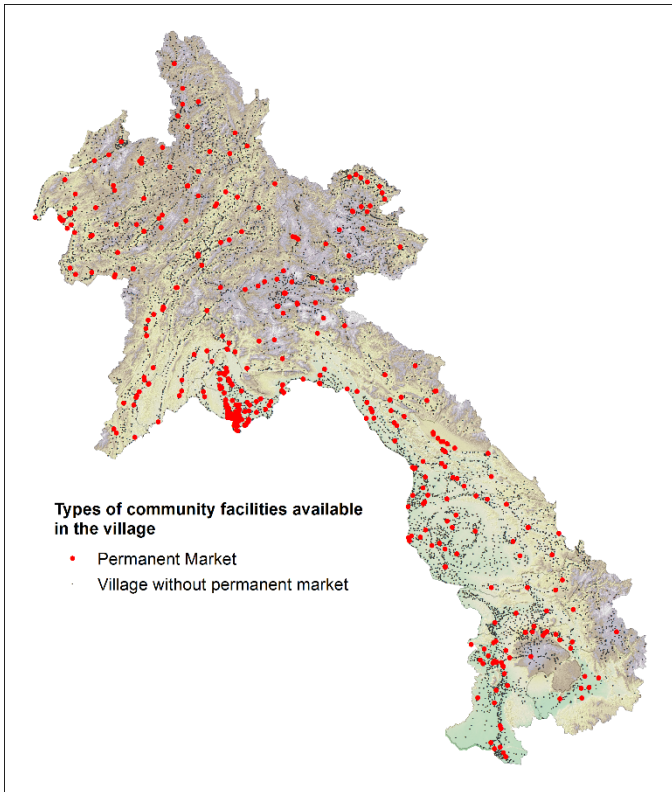
Map 42: Distribution of village development funds in 2011



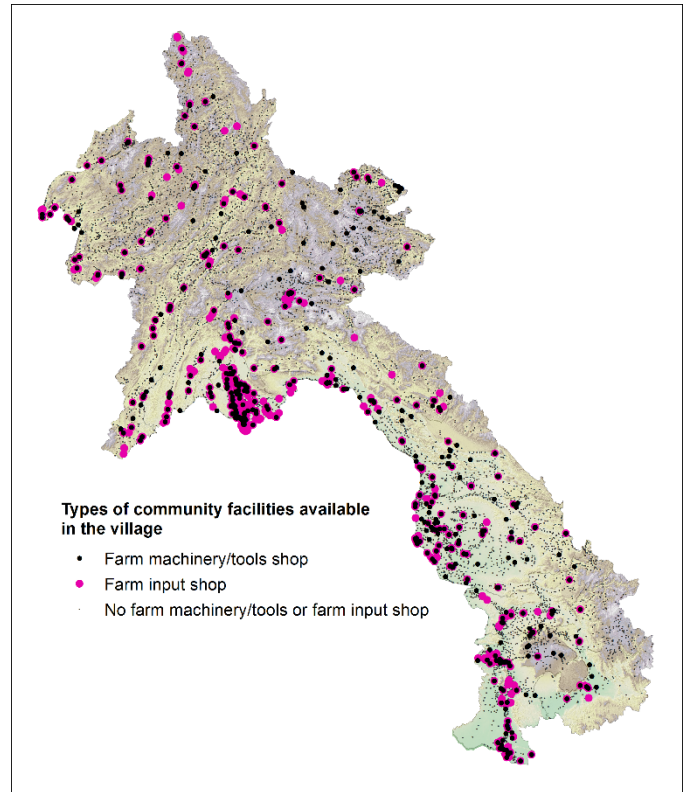
Map 43: Distribution of other credit facilities in 2011



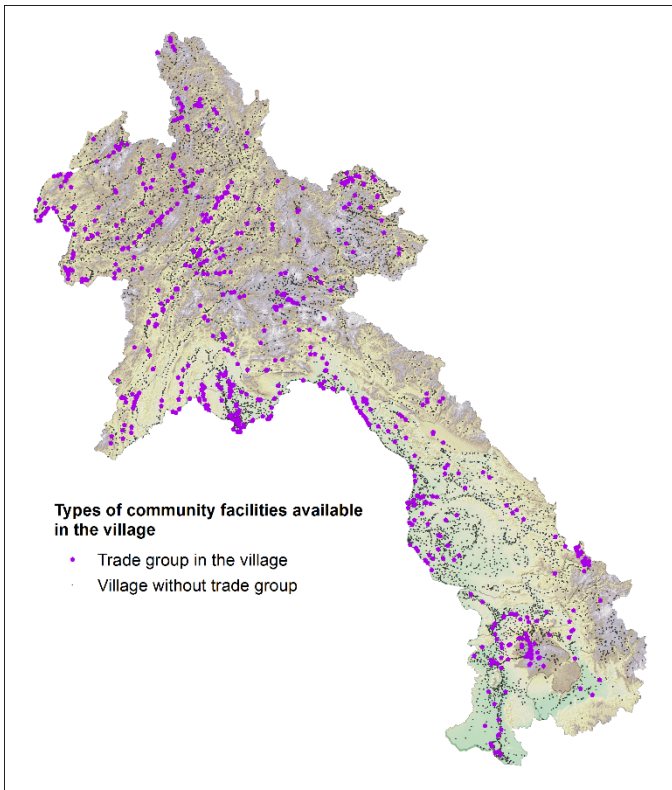
Map 44: Distribution of permanent markets in 2011



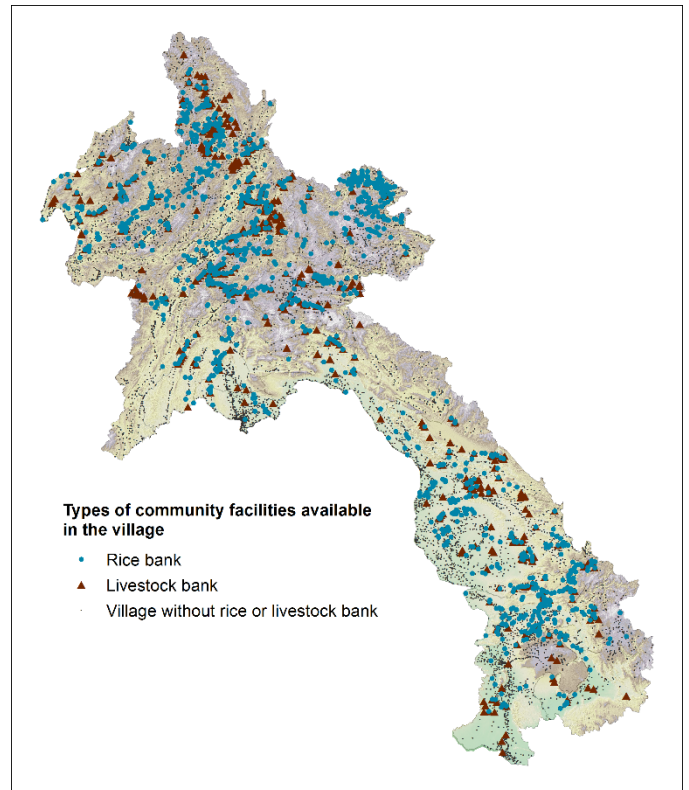
Map 45: Distribution of farm input and machinery/ tools shops in 2011



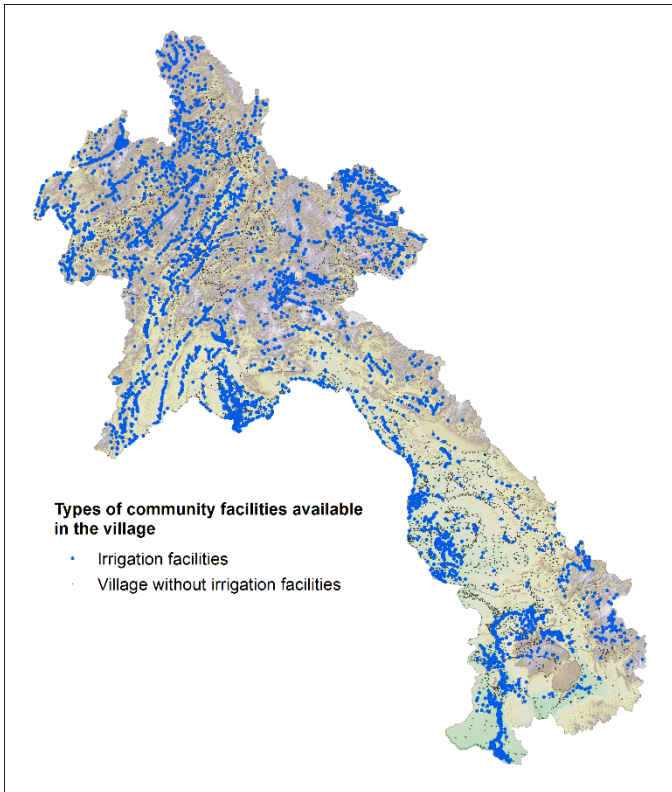
Map 46: Distribution of trade groups in 2011



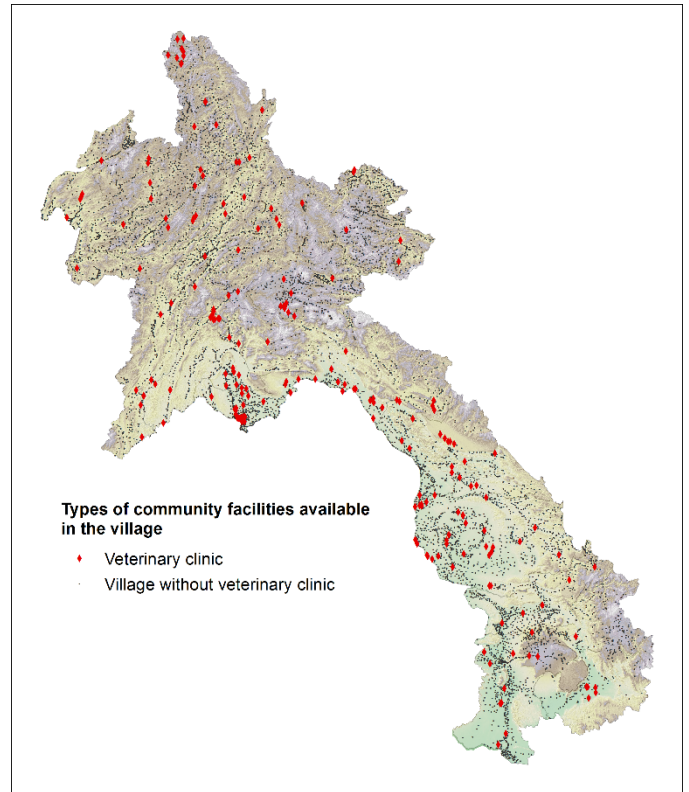
Map 47: Distribution of rice and livestock banks in 2011



Map 48: Distribution of irrigation facilities in 2011



Map 49: Distribution of technical agriculture and forestry centers in 2011



Map 50: Distribution of veterinary clinics in 2011

