



Draft Design and Monitoring Framework

Project Number: 37579
September 2008

Proposed Asian Development Fund Grant and Technical Assistance Grant

Lao People's Democratic Republic: Sustainable Natural Resources Management and Productivity Enhancement Project

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

Asian Development Bank

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact More efficient and sustainable natural resource management and higher sector productivity</p>	<ul style="list-style-type: none"> • Economically and financially viable, socially and environmentally sustainable large-scale concession / plantation sub-sector established; 300,000 ha in 5 southern provinces • Functioning farmer groups/producer associations: 180 groups across 5 southern provinces • ANR outputs and value added in the five participating provinces increased by 35 % by 2015 	<ul style="list-style-type: none"> • National and provincial ANR sector crop area, farm output and market value statistics • MAF/PAFO records (for producer groups) • Private sector company accounts 	<p>Assumptions</p> <ul style="list-style-type: none"> • Continuing inflows of FDI • Continuing availability of agriculture technology (domestic and/or foreign) • Increasing regional integration and market participation • Government policies (e.g., towards producer associations, market-based incentives etc) remain in place, <p>Risk</p> <ul style="list-style-type: none"> • Activities of SOEs (e.g., in forestry lands) intensify or expand
<p>Outcome An enhanced institutional capacity at Provincial and State levels to manage natural resource-based developments and to more widely promote increased agriculture productivity</p>	<ul style="list-style-type: none"> • Rigorous, standardized investment appraisal process for land concessions in place across all provinces, and new FDI investments underway • Subprojects' economic benefits, based on new or rehabilitated rural infrastructure and/or strengthened producer associations are positive and sustainable 	<ul style="list-style-type: none"> • Project Performance Management System (PPMS) reports. • Project review missions. • Project completion report. 	<p>Assumptions</p> <ul style="list-style-type: none"> • Non-project farming conditions remain relatively stable(e.g., output prices do not deteriorate, no major weather-related events) <p>Risk</p> <ul style="list-style-type: none"> • Major commodity price changes and national food security concerns distract MAF

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Outputs</p> <p>1. Capacity building in sector management</p> <p>(i) National and provincial staff capable of financial/economic appraisal and safeguards analysis</p> <p>(ii) Land suitability mapping in the five provinces completed.</p> <p>(iii) Government and donors committed to a common agricultural development framework.</p> <p>2. Agricultural productivity and commercialization subprojects.</p> <p>3. Project management</p>	<ul style="list-style-type: none"> • Numbers of courses conducted by location, subject and trainees of training conducted. • Land suitability and broad zoning maps prepared for all districts in project provinces by trained staff by 2010. • Land use maps prepared at village level in subproject areas. • ANR 'sector strategy' document produced (includes donor meetings) • Other policy documents • Trade support measures introduced • An estimated 45 subprojects successfully completed (6-13 per province by 2015). • Water users and farmer groups demonstrate capacity to manage activities under an agreed financial and management framework. • PMO and PPOs established and operational. • Subprojects are identified, prioritized and approved (number of projects by province by year) • Subproject funds disbursed (by amount, province and year)r. • Contracts are executed (by province by year). 	<ul style="list-style-type: none"> • Number of land concessions reviewed.(MAF DPO, and NLMA) • PMO quarterly reports; • consultants' reports; • Review Mission Reports • Project Completion Report. • Zoning and village Land Use Maps. • Indicative land-type valuations and broad provincial plans for land-type use (integrated within ANR sector strategy) • PMO reports on subproject proposal evaluation. • PPMS reports by PPOs. • Quarterly reports by PMO • Project completion report. • PMO quarterly report including financial reports and audits. • Contracts approved for financing. 	<p>Assumptions</p> <ul style="list-style-type: none"> • Required GIS data to provinces. • Provincial and District agencies are able to sustain and expand successful subprojects identified. • Transparency and improvement in land use allocation including licensing governance. <p>Risks</p> <ul style="list-style-type: none"> • Activities chosen for subprojects prove unsustainable (market trends, social issues).

Activities with Milestones	Inputs
<p>1. Capacity-building In Sector Management</p> <p>1.1 Training consultants appointed to MAF, PAFOs by mid-2009.</p> <p>1.2 GIS data provided to provinces by end 2009.</p> <p>1.3 Preliminary land zoning maps prepared by mid-2010.</p> <p>1.4 Land suitability mapping of agriculture and forestry land completed by mid-2011.</p> <p>1.5 Participatory land use planning begins at subproject level by mid 2009.</p> <p>1.6 Reassessment of current concessions over 100 ha nationwide completed by end 2010.</p> <p>1.7 Sector-wide approach to development of the agriculture and natural resources sector ANR and 'strategy document' agreed among government and donors by end 2010.</p> <p>1.8 Other <i>ad hoc</i> policy documents produced by 2012</p> <p>1.9 Improved trade measures implemented by 2012</p> <p>2. Agricultural Productivity And Commercialization Subprojects</p> <p>2.1 Consultants to assist with identification of subprojects for support to ongoing initiatives recruited by mid-2009.</p> <p>2.2 First subprojects for support for on-going initiatives identified and approved by end-2009.</p> <p>2.3 Subprojects implemented between end 2009 and 2014.</p> <p>2.4 Formal establishment of producer groups into legal entities between 2010 and 2014.</p> <p>3. Project Management</p> <p>3.1 Management structures established and resourced by mid 2009.</p> <p>3.2 Implementation consultants appointed by June 2009.</p> <p>3.3 About 50 subprojects approved for implementation by end 2010.</p> <p>3.4 Project completion report prepared by 2015.</p>	<ul style="list-style-type: none"> • ADB \$20 million covering consulting services, training and capacity building, and procurements of goods. • IFAD \$15 million covering cofinancing of subprojects. • Government \$1.8 million covering staff salaries and taxes and duties forgone.

GDP = Gross Domestic Product,