



Project Data Sheet

Project 31351-013

Project Name	Smallholder Development
Project Number	31351-013
Country / Economy	Lao People's Democratic Republic
Project Status	Closed
Project Type / Modality of Assistance	Loan Technical Assistance

Loan 1949-LAO: Smallholder Development

Source of Funding / Amount	Asian Development Fund	US\$ 12.00 million
----------------------------	------------------------	--------------------

TA 4005-LAO: Agribusiness Support and Training

Technical Assistance Special Fund	US\$ 250,000.00
-----------------------------------	-----------------

Strategic Agendas	Environmentally sustainable growth
Drivers of Change	Gender Equity and Mainstreaming

Sector / Subsector	Agriculture, natural resources and rural development / Agricultural production - Agro-industry, marketing, and trade Transport / Road transport (non-urban)
--------------------	---

Gender	Some gender elements
--------	----------------------

Description	<p>The purpose of the Project is to promote sustainable commercial smallholder agriculture and associated associated agribusiness in the Lao PDR, with the goal of achieving sustained increases in rural incomes and long-term reductions in rural poverty. The purpose will be achieved by (i) increasing production and marketing of diversified, nonrice dry seosan cash crops, livestock, and fisheries; (ii) improving smallholder access to domestic and international markets and to market information; and (iii) increasing investment in value-adding agribusiness.</p>
-------------	--

To achieve these objectives, the Project has four components: (i) farmer support services to improve farmers' technical knowledge of integrated farming systems, and access to market information and inputs; (ii) agribusiness and marketing to stimulate investment in agribusinesses; (iii) rural infrastructure to improve physical access to produce markets and reduce marketing costs; and (iv) project management.

Project Rationale and Linkage to Country/Regional Strategy	The outcome of the project has direct relevance to ADB's country and regional strategies. The Project shows evidence of increased economic opportunities for smallholders and small and medium entrepreneurs through increased productivity and linkage to markets.
--	---

Impact	Economic growth, employment generation and income growth
--------	--

Project Outcome

Description of Outcome	Establishment of sustainable smallholder-commercial agriculture and associated agribusiness in the provinces of Vientiane, Savannakhet, Khammouan and Champassak
Progress Toward Outcome	Agricultural demonstrations, study visits and training of farmers with technology has helped the farmers to increase the competitiveness of their products and market accessibility. The introduction of contract farming into the project area has helped the farmers in gaining easy access to supply chains and increasing their economic opportunities. Smallholders in about 180 villages have been assisted to gain access to credit while collaboration with other relevant agencies is being assessed to improve further access to financial services.

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Effective agricultural extension and training mechanism 2. Improved physical infrastructure for input and produce marketing 3. Effective primary market network in project provinces
--------------------------------	---

Status of
Implementation
Progress (Outputs,
Activities, and Issues)

The project has made good progress, with the physical progress of 100% and financial progress of 100%. The project completion date was 31 December 2011 and the closing of loan account was 18 September 2012. Component 1: Effective Agriculture Extension and Training Mechanism. Main achievement include: (i) the 549 villages received training on rice and other cash crops plantation technique, (ii) the 162 Farmer Production and Marketing Groups (FPMGs) were established, (iii) 14 kinds of commodity involving 9,291 households from 329 villages of 16 project districts, (iv) the 185 training sessions were conducted for the 6,196 farmers, and (v) the 439 study tour were organized for the 1,580 farmers;

By strictly adhering to recommended organic farming principles, Bungphao Organic Vegetable Group has received Organic Certificate from Department of Agriculture of MAF

Component 2: Improved Physical Infrastructure for Input and Produce Marketing. An integrated agribusiness model between farmers and factories has been developed. (i) The FPMGs have concluded the contracts with the Cannery Factory for selling sweet corn and receiving fertilizer, while the Factory allots the cattle raising groups to obtain corn cob and fresh corn stems from it. This approach is being replicated in Khammouan and Champassak provinces at lower level with private traders instead the factory, and (ii) The Rice Miller Group has an agreement to supply 500 tons of white rice to Lao Beer Factory and contract to export 2,000 tons of white rice and 1,000 tons of glutinous rice to Vietnam. The Project has supported to formation of sub-group for beef and pork processing, these two sub-groups are important to note that members of the groups are women and run by women management.

All planned infrastructure under the component were fully constructed including (i) 78 km new feeder roads, (ii) 54.9 km all-weather improved roads, and (iii) 9 bridges totaling 329 meters. About 35,024 households living in the adjacent areas are benefitting from the roads; the number of transported commodities to the market has increased significantly as well as the number of new business registrations and investment along the road corridor.

Component 3: Effective Primary Market Network. 6 Primary Markets has been constructed in strategic locations of: Thourakom district-Vientiane province, Nongbok district-Khammouane province, Xayboully and Xayphouthong districts-Savannakhet province, Pakxong and Phonthog districts-Champassak province.

Component 4: Project Management. The planned activities under this component are being satisfactorily implemented.

Geographical
Location

Safeguard Categories

Environment B

Involuntary Resettlement

Indigenous Peoples

Summary of Environmental and Social Aspects

Environmental Aspects	Since the Project is dealing with smallholders at family and village level, the negative environmental and social impact of interventions are minimal. Necessary mitigation measures have been incorporated into each of the activities through procedural improvements. These have been further reinforced through technology transfer and extension activities
Involuntary Resettlement	The Project deemed satisfactory regarding Involuntary Resettlement safeguards compliance requirements in both design and implementation
Indigenous Peoples	No IP impact, no action are required

Stakeholder Communication, Participation, and Consultation

During Project Design	Key stakeholders were consulted during project preparation. Detailed consultations are being carried out
During Project Implementation	

Business Opportunities

Consulting Services	The Project will provide about 44 person-months of international and 146 person-months of domestic consulting services for project management and a number of technical inputs. The amount of consulting services identified under the Project is considered necessary in view of the limited human resources capacity and technical expertise available in the Government at central, provincial, and district levels. The consultants will be selected and engaged in accordance with ADB's Guidelines on the Use of Consultants and other arrangements satisfactory to ADB for engaging domestic consultants. For consulting services related to labor-based machine-assisted construction technology, a contract will be negotiated directly with ILO, which has extensive experience in this technical area and has been providing assistance to similar projects throughout the Mekong region for several years.
Procurement	Goods and services to be financed from the proceeds of the ADB loan will be procured in accordance with ADB's Guidelines for Procurement. Vehicles, equipment, and materials will be procured by international competitive bidding (ICB) where the cost is valued more than \$500,000 equivalent, or by international shopping (IS) where the cost is valued from \$100,000 to \$500,000 equivalent. Equipment or materials valued at less than \$100,000 equivalent may be procured under direct purchase. The civil works for road rehabilitation will be procured in accordance with local competitive bidding procedures among prequalified private local contractors acceptable to ADB. Because labor-based machine-assisted construction technology will be employed, prequalification will be contingent to the contractor's attending training workshops to be conducted at project commencement by International Labor Organization (ILO) specialists concerning the construction methodology.
Responsible ADB Officer	Louangraj, Phantoueth
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Lao Resident Mission
Executing Agencies	<i>Ministry of Agriculture and Forestry-Irrigation Dep Mr. Kham Ouane Khamphoukeo khamphoukeo@nafri.org.la or ouanekeo@yahoo.com Houay Nhang Tha Ngon Rd. Km 14, Xaythany, Vientiane</i>

Timetable

Concept Clearance	08 Mar 2001
Fact Finding	06 Jul 2002 to 19 Jul 2002
MRM	10 Sep 2002
Approval	28 Nov 2002
Last Review Mission	-
PDS Creation Date	12 Dec 2006
Last PDS Update	21 Sep 2012

Loan 1949-LAO

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
28 Nov 2002	07 Feb 2003	18 Jun 2003	31 Oct 2009	31 Dec 2011	18 Sep 2012

Financing Plan

Loan Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	12.00	Cumulative Contract Awards			
ADB	12.00	17 Jun 2022	13.68	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	17 Jun 2022	13.68	0.00	100%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

TA 4005-LAO

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
28 Nov 2002	26 May 2003	26 May 2003	31 Dec 2005	30 Apr 2009	31 Jul 2009

Financing Plan/TA Utilization

Cumulative Disbursements

ADB	Cofinancing	Counterpart		Project Sponsor	Others	Total	Date	Amount
		Gov	Beneficiaries					
250,000.00	0.00	0.00	0.00	0.00	0.00	250,000.00	17 Jun 2022	238,589.61

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

© 2023 Asian Development Bank

This page was generated from /projects/31351-013/main on 06 June 2023