



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

National Committee for Rural Development
and Poverty Eradication (NCRDPE)
Poverty Reduction Fund (PRF)

Report on the implementation of the
Lao Uplands Food Security Improvement Project (LUFSIP)
PRF, Component 3.

Vientiane Capital, November 19, 2013

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1. Overview

Lao Upland Food Security Improvement Project (LUFSIP) is funded by the IDA and the EU with a grant of US\$ 14.6 million for 4 years (2010-2014).

The LUFSIP comprises of 4 main components. The component will be executed by the Ministry of Agriculture and Forestry (MAF) and coordinated by the Department of planning (DoP) of MAF. Actual implementation of the project activities will be carried out by relevant MAF agencies, as well as by the Poverty Reduction Fund (PRF). The poverty Reduction Fund is responsible for component 3, with a budget amount 7.92 million US\$, divided in 2 sub-components:

C3a- Provide rural basic infrastructure related to the agriculture as to improve the living standard of community. The project includes 17 poorest districts of 47 poorest districts nationwide. The 17 poorest districts located in 5 provinces under covered by the PRF, (Huaphan, Luangnamtha, Xiengkhouang, Savannakhet and Sekong) with the implementation budget of 3.79 million US dollars.

C3b- Support community-led recovery through the restoration of rural infrastructure, including rehabilitation and repairs of damaged irrigation systems, in 13 cycle affected districts of Saravanh, Sekong and Attapeu provinces with an implementation budget of 4.19 million US dollars.

The proposed project's objective is to improve food security by increasing rice productivity and improving smallholder livelihoods and nutrition in selected provinces. To reach the target of project, PRF's duty is to deliver basic infrastructure and service to the poorest community that covered by PRF and implement construction activities for rehabilitation and repairs of damaged irrigation system and other productive small scale infrastructures in three southern provinces.

2. Component 3 Sub-project implementation progress

After project agreement was signed and financial agreement became effective (31st August 2010), PRF has started construction and sub-projects implementation under component 3 in early November 2010. Up to 2013, a total of 413 sub-projects (C3a 322 sub-projects and C3b 92 sub-projects) successfully completed implementation, with a total budget of 7.6million USD (7.1 million USD project investment and 0.5 million USD community participation estimated budget). Up to date, all of sub-projects are used for supporting livelihood activities improvement of rural community in 25 poor districts of 7 provinces (Huaphan, Louangnamtha, Xiengkouang, Savannaketh, Salavan, Xekong and Attapeu provinces).

2.1.Component 3a implementation 2012-2013

2.1.1. Sub-project construction:

- 89 sub-projects have completed implementation, including: Public work 20 sub-projects, Irrigation 49 sub-projects and Agriculture 20 sub-projects.
- Currently, sub-project payments for the third installment (warranty period) are about to be completed by the end of November, 2013.
- Work plan 2013 – 2014 plan to implement 7 additional sub-projects in three districts (Phine; Kaleum and Darcheung) of two provinces (Savannaketh and Xekong).

2.1.2. Technical and Social Audit:

- Following the last mission in May, PRF was prepared the TORs of the technical and social audit on 3a and 3b sub-projects (all 3a sub-projects Cycle VIII and IX) and transmission to NCO and the World Bank on 31 May, 2013 and received NOL from Bank on June 10, 2013.

- PRF recruited the consultant company (Lao-Asia Consulting Groups) on July, 2013 and submitted to the bank on October 7, 2013.
- World Bank has approved for the consultant company selected on 26 October and contract was signed on 29 October 2013.
- The kick off meeting between PRF and contracted firm will be organized on November 18, 2013.

2.2.C3b implementation 2012 -2013

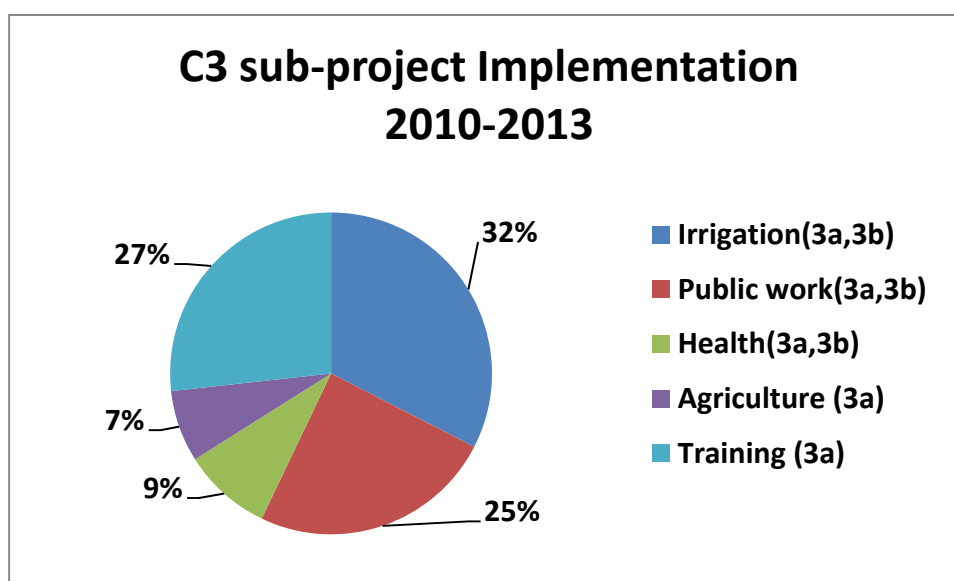
2.2.1. Closing issue related to DOI payment:

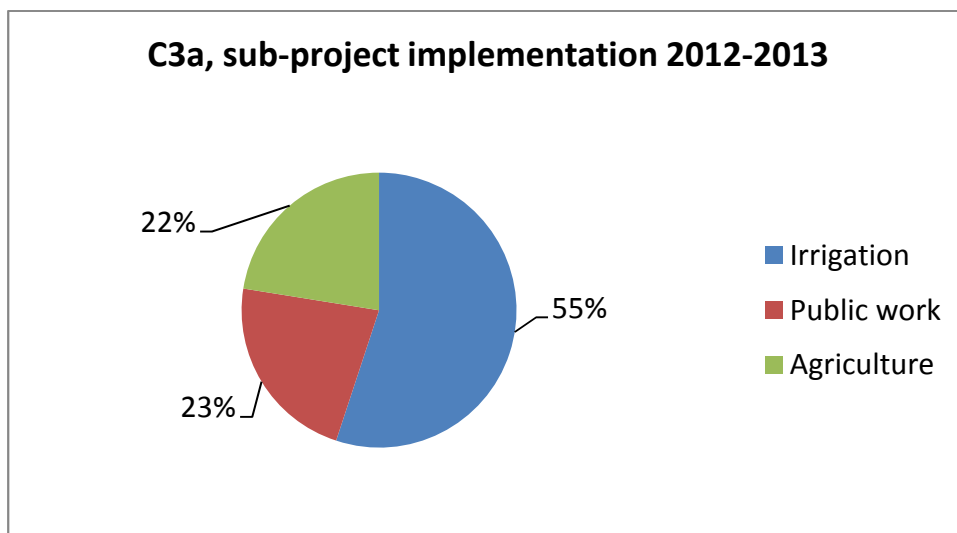
- PRF has confirmed to the WB that there are still component 3b funds in Kumban accounts which have not been paid to provincial/district DOIs against their claims on May 4, 2013.
- The proposed farmer training using cancelled funds from DOI payments was discussed on May 25, 2013 between WB and PRF in Vientiane.
- The proposal for farmer study visit and exchange experiences related to agricultural production and sub-project maintenance in Vientiane capital was approved by WB on August 20, 2013.
- PRF has conducted study visit in Vientiane capital between 16-20 September, 2013. (47 participants from three southern provinces) and the report has been sent to WB on November 14, 2013.

3. Component 3 Sub-project implementation - output

The C3 sup-projects were implemented 413 Sup-projects, during the year 2010 to 2013 which were separated by sectors as follow:

Sub-project	Number of Sup-project	Implementation budget USD	% Investment by sector	progress implementation
- Irrigation (3a, 3b)	135	3,134,786	31.7	100 %
- Public work (3a,3b)	102	2,466,655	24.7	100 %
- Health (3a, 3b)	37	555,581	9.0	100 %
- Agriculture (3a)	30	672,905	7.3	100 %
- Training (3a)	111	255,728	26.9	100 %
Total	<u>413</u>	<u>7,085,655</u>	<u>100</u>	<u>100%</u>





4. Component 3 Sub-project implementation – outcome

4.1. Beneficiaries

Within the component 3, the total number of beneficiaries reaches 28,764 households, in 622 villages (25 poor districts in 7 provinces).

4.2. Sub-project implementation status

413 sub-projects in total, including 247 new constructed sub-projects (60% of all sub-projects) and rehabilitation of 166 sub-projects (40% of all sub-projects).

4.3. Food security

4.3.1. Rice and crop cultivation areas

In the Irrigation sector, 133 sub-projects provide water to rice field about 4,884 ha during raining season and 1,285 ha irrigated rice and crops 341 ha. (133 sub-projects including new irrigation: 41 sub-projects, covered areas 1,705ha and re-constructed 92 sub-projects covered areas 3,179 ha). The irrigated areas have increase by 30%.

4.3.2. Animal production

Areas of 7,660 ha were conserved for animal rising in raining season (to prevent animal from human, diseases, and do not disturb farming areas of community), about 5,073 head of cattle and buffalos have been raised in this conserved areas, this can help farmer to reduce their work load by 40% (estimation).

4.4. Public Facility

4.4.1. Access

165,624 meters was re-constructed and 128,500 meters were constructed from 100 subprojects. 50% of the total numbers of sub-projects are roads access; follow by bridge, culverts, etc.

4.4.2. Skill training

More than 1,300 household have been trained on subjects related to livelihood improvement especially for agricultural production activities, forest and fish course conservation, and social and environment safeguards. The skill training was conducted mainly during the cycle 8 (2011-2012).

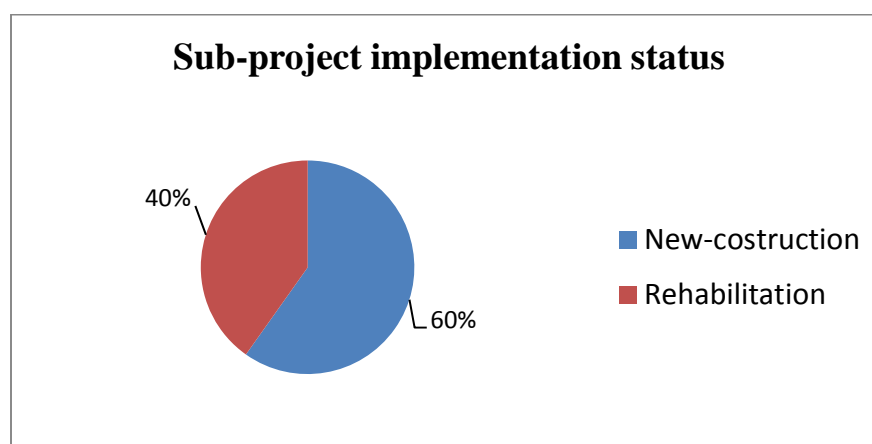
Beneficiary community divided by sub-project as below:

Sub-project	Number of Sub-project	Supported areas	Beneficiary community (hh)	villages
- Irrigation (3a, 3b)	133	4,884 ha	11,923	156
- Public work (3a, 3b)	102	294,879 m	10,845	185
- Health (3a, 3b)	37	92,500 m	2,405	37
- Agriculture (3a)	30	7,660 ha	2,120	32
- Training (3a)	111	1,332	210
Total	<u>413</u>		<u>28,764</u>	<u>622</u>

Type of sub-projects and sub-project implementation status

Type of sub-project	Sps-Sum	New-construction		Rehabilitation	
		Sp	Covered	Sp	Covered
1. Irrigation	133	41	1,705 ha	92	3,179 ha
2. Access Road	82	38	128,500 m	44	165,634 m
3. Bridge	12	10	345 m	2	32 m
4. Culvert	7	7	400 m	-	-
5. Clean water	37	13	13 vlg	24	24 vlg
6. Rice storage	10	10	10 dtc	-	-
7. Animal fence	17	17	5,072 hd	-	-
8. Community fishpond	2	-	-	2	3.75 ha
9. Biogas plant	1	1	5 hh	-	-
10. Low voltage electricity	1	1	1 vlg	-	-
11. Skill training	111	111	1,332 hh	-	-
Total	413	249		164	

Ha=hectare, m=meter, vlg=village, dtc=district, hd=head,



5. Achievements

Through three years of implementation (one year for project preparation and two years for project implementation) for component 3 of LUFSIP; PRF has been conducted its sub-components (3a, 3b) and able to completed 413 sub-projects, that included C3a 233 sub-projects and C3b 92 sub-projects during the year 2011-2012 and C3a 89 sub-projects during the year 2012-2013. These sub-component facilitated communities in many activities for food security and livelihood improvement to reduce their poverty such as:

- The paddy field 4,884 ha able to irrigate in raining season and 1,285 ha during dry season, rice productivity harvested in year 2013 about 12,210 tone, averaged yield 2.5 t/ha.
- Animal 5,073 heads were raised in appropriate places and good care than before, farmer have more time to do activities for earn income such: household garden, waving, weaving, labor trade...; also they can sale animal, price of animal around 3 to 5 million.
- The communities more than 10 thousand household are easier reached their target areas for farming and public services.
- Skill training was implemented in the cycle 8 (2011-2012) related to food security and livelihood improvement.

A technical Audit is on-going in order to provide more details on the component 3 achievements and lessons learned.

Vietiane Capital, 18 November 2013

Executive Director of PRF



SOUVANNAPHANH Bounkouang

LAO PEOPLE'S DEMOCRATIC REPUBLIC
 LAO UPLAND FOOD SECURITY IMPROVEMENT PROJECT
 Table Component 3 DETAILED COSTS 2014 (US\$)

	Agency	Method	Unit	Unit Cost	LAK	2014	Total	Q1 Break down for FY 2013-1014				FY14-15 Q1	Total
								Q1	Q2	Q3	Q4		
I. Investment Costs													
A. Subprojects (1)													
1	PRF		unit	1,124		100,000	100,000	50,000	50,000	-	-	-	100,000
2	PRF		unit	14,286		100,000	100,000	-	50,000	40,000	10,000	-	100,000
						200,000	200,000	50,000	100,000	40,000	10,000	-	200,000
Sub-total Civil Works													
B. Equipment and Goods													
Sub-total													
2. Office Equipment													
1	PRF		unit	350		700	700	-	700	-	-	-	700
2	PRF		set	1,150		11,500	11,500	-	11,500	-	-	-	11,500
3	PRF		unit	1,200		3,600	3,600	-	3,600	-	-	-	3,600
4	PRF		unit	50		500	500	-	500	-	-	-	500
5	PRF		unit	200		2,000	2,000	-	2,000	-	-	-	2,000
6	PRF		unit	50		500	500	-	500	-	-	-	500
						18,800	18,800	-	18,800	-	-	-	18,800
Sub-total Equipment and Goods													
C. Training													
1	PRF		times	16,500		33,000	33,000	-	33,000	-	-	-	33,000
						33,000	33,000	-	33,000	-	-	-	33,000
Sub-total Training													
D. Consultancies													
1	PRF		months	4,945		74,175	74,175	14,835	14,835	14,835	14,835	14,835	74,175
2	PRF		Lunsum	65,000		65,000	-	-	65,000	-	-	-	65,000
						139,175	74,175	14,835	79,835	14,835	14,835	14,835	139,175
Subtotal Consultancies													
Total Investment Costs													
II. Recurrent Costs													
A. Equipment and Goods													
B. Operations													
	PRF		months	4,300		64,500	64,500	12,900	12,900	12,900	12,900	12,900	65,000
						64,500	64,500	12,900	12,900	12,900	12,900	12,900	65,000
Total Recurrent Costs													
TOTAL													


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 Executive Director of PRF
 Vientiane Capital, 18 November 2013