

## Summary of the Evaluation Results

<b>1. Outline of the Project</b>	
Country : Lao Republic of Democratic PDR	Project title : The One District One Product Pilot Project in Savannakhet and Saravanh Provinces
Issue/Sector : Development of Private Sector	Cooperation Scheme : Technical Cooperation Project
Office in Charge : JICA Laos	Total Cost : 290 million JPY
Period of Cooperation : Dec 2008 - Dec 2011 (R/D : 10 Dec 2008)	Partner country's Implementation Organization : Ministry of Industry and Commerce
	Supporting Organization in Japan : None
	Related Cooperation : Macroeconomic Policy Support for Socio-economic Development in the Lao PDR Phase 1 and 2(2000-2002, 2003-2005), The Project of Prototype of Attractive Tourism Center in the East West Economic Corridor for Community Empowerment and Poverty Alleviation(2008-2011)
<b>1-1 Background of the Project</b>	
<p>Recently, Lao People's Democratic Republic (hereinafter referred to as “ Laos PDR” ) has been on the integrated process to the global market economy, with advancing towards the affiliation to the World Trade Organization (WTO). Macroeconomic Policy Support for Socio-Economic Development of Japan International Cooperation Agency (JICA) in the Lao PDR (MAPS) implemented from 2003 to 2005 by National Economic Research Institute (NERI) addressed that ODOP movement would be an essential approach to revitalize local businesses and promote potential products for export. MAPS also mentions that ODOP is one of measures to improve livelihoods in local areas. Under these circumstances, the Government of Lao PDR requested the Government of Japan having know-how and experiences of One Village One Product to assist with Technical Cooperation Project, in order to verify what kind of ODOP suitable to social economy in Lao PDR. As result, the project for One District One Product Pilot Project in Savannakhet and Saravanh Provinces has started since December 2008 with the duration of three years by Ministry of Industry and Commerce in cooperation with JICA.</p>	
<b>1-2 Project Overview</b>	
<b>(1) Overall Goal</b>	
ODOP movement is disseminated in Savannakhet and Saravanh Provinces	
<b>(2) Project Purpose</b>	
Project activities are proven to be effective in promoting ODOP in Savannakhet and Saravanh Provinces	
<b>(3) Outputs</b>	
<ul style="list-style-type: none"> <li>• Output 1: An operational system is worked out for implementing ODOP Pilot Projects</li> <li>• Output 2: The capacity of staff and concerned personnel is developed</li> <li>• Output 3: Marketable products are developed</li> </ul>	

- Output 4: Based on the experience of pilot projects, lessons are learnt for promoting ODOP in Savannakhet and Saravanh Provinces

**(4) Inputs (as of 30 Sep 2011)**

**Japanese side :**

- Long-term experts: 8 ( 66.07MM)
- Trainees received in Japan and Thailand: 10
- Provision of Equipment: JPY7,661,000
- Local cost : JPY 62,127,000

**Laos side:**

- Counterpart Personnel : 15 (5 from ERIT, 7 from DIC Savannakhet and 3 from DIC Saravanh)
- Provision of Project office in ERIT, DIC in Savannakhet and Saravanh provinces, including light, fuel and water expenses
- Personnel cost for Counterpart

**2. Evaluation team**

Members of Evaluation Team	Leader : Mr. Takafumi UEDA (Senior Advisor, JICA Headquarter) Evaluation and Analysis : Chiaki YAMADA(Consultant, Pegasus Engineering, Co Ltd) Cooperation Planning : Mr. Hiroaki KUBOTA (Project Formulation Advisor, JICA Laos) Cooperation Planning : Mr. Kayasith SADETTAN (Assistant Program Office, JICA Laos)		
Period of Evaluation	19th OCT 2011 - 3rd NOV 2011	Type of evaluation	Final Evaluation

**3. Evaluation Results**

**3-1 Project Performance**

**(1) Achievement of Outputs**

**Output 1 : An operational system is worked out for implementing ODOP Pilot Projects**

What needs to be done and which organizations and/or individuals need to be involved to promote ODOP have been clarified. If more time is available, more effective operational system is likely to be found.

Indicator 1-1 : At least one product is developed / expanded as ODOP product by the initiative of each DIC

At the time of the Terminal Evaluation, DIC in Savannakhet has supported development of 3 ODOP products by their own initiative with some support from the Project. Possibility of support to develop a local weaving product by DIC Saravanh would increase if activities could be implemented during the dry season when they can visit potential ODOP group(s).

Indicator 1-2 : ODOP Field Manual, including selection criteria for ODOP group and ODOP products and business plan formulation, is shared among concerned personnel

The initial draft of ODOP Field Manual has been developed. If the Project could spend more time to work with the ODOP Field Manual, its quality would be higher.

Indicator 1-3 : Baseline study and introduction workshop / seminar / meeting are conducted for all the candidate groups

The Project conducted 65 baseline surveys and introduction workshops/seminars/meeting for all the

candidate groups.

**Output 2: The capacity of staff and concerned personnel is developed**

The capacity of staff at the central and provincial levels has been considerably developed.

Indicator 2-1: More than 2 staff and concerned personnel at each province can support producer groups in product development / marketing / public relations / business plan

More than 2 staff and concerned personnel at each province can support product development and public relations (ODOP promotion in districts). Marketing support can be provided but could be further improved. Support in business plan is a challenge.

ERIT recognized the importance of human resource development and sent their staff members to Japan and Thailand for training. ERIT staff members assigned for ODOP also gained experiences by participating in various project activities including internal evaluation, field visits and seminars.

**Output 3 : Marketable products are developed**

Nineteen (19) marketable products based on the local resources have been developed. Since the Mid-term Review, various activities to expand marketing channels have been conducted.

Indicator 3-1: Each ODOP group produces more than one improved quality product and / or new product

Nineteen (19) out of 22 ODOP groups have one or more improved quality or new products. As for the remaining 3, pottery, hoi hom and local weaving groups will need more time to develop products during the dry season.

Indicator 3-2: More than 80% of ODOP groups increase the sales quantity compared to the baseline data (for example, baseline should be the average of monthly sales quantity of the new / improved products of initial three months)

Nineteen (19) out of 22 ODOP groups have increased the sales quantity, which means approximately 86% of ODOP groups increased the sales quantity.

Indicator 3-3: More than 80% of ODOP groups are linked with alternative distribution channels

Six (6) out of 7 ODOP groups with improved quality products have found alternative distribution channel(s), which means more than 80%.

**Output 4 : Based on the experience of pilot projects, lessons are learnt for promoting ODOP in Savannakhet**

**and Saravanh Provinces**

Considerable lessons will have been learnt if more time is available.

Indicator 4-1: ODOP Strategic Paper is developed and acknowledged

Indicator 4-2: ODOP Dissemination Plan is developed each for Savannakhet and Saravanh Provinces

ODOP Strategic Paper and Dissemination plan could be developed within the current timeframe. However, if more time is available, their quality can be higher due to experiences and insights gained

through additional seminars and events.

Indicator 4-3: ODOP Strategic Paper and Dissemination plan are shared with related personnel in the two provinces

It will be desirable if strategic paper and plan could be shared for wider audience in the central and provincial levels.

## **(2) Achievement of Project Purpose**

Project Purpose : Project activities are proven to be effective in promoting ODOP in Savannakhet and

Saravanh Provinces

Project activities have been implemented and are likely to be proven effective considerably, on condition that the ODOP Strategic Paper, Dissemination Plan, Field Manual of high quality be fully developed and shared by the stakeholders.

Indicator 1: More than ten products are successfully promoted as ODOP products according to the plan (PPIP)

The internal evaluation was held in August 2011 by the Project. Based on its result, there are 12 ODOP products achieved the target promotion level set by the Project in the Pilot Project Implementation Plan (PPIP).

Indicator 2: More than 90% of ODOP producers are satisfied with the results of the Project support and participation

It is founded that nearly 80% ODOP producers are satisfied with the Project activities through the internal evaluation.

## **(3) Achievement of Overall Goal**

Overall Goal : ODOP movement is disseminated in Savannakhet and Saravanh Provinces

ODOP movement is likely to be disseminated and implemented further in the two provinces.

Indicator 1: More than ten ODOP products are additionally developed by 2015

Indicator 2: More than ten ODOP groups (or individuals) are additionally activated or newly formulated by 2015

Both indicators will be achieved if budget is allocated at the provincial level as project implementation framework is likely to be clarified and staff be allocated. Collaboration with OICs as well as other provincial departments and the private sector will be needed.

## **3-2 Summary of Evaluation Results**

### **(1) Relevance: High**

The relevance was assessed based on the target groups' needs, the Lao government's policy, the Japanese government's policy, and the project target area.

Relevance to the needs of target groups

The Government of Lao PDR formulated National Growth and Poverty Eradication Strategy (NGPES) as

Poverty Reduction Strategy Paper (PRSP) in June 2004. NGPES states that there are 72 districts identified as either poorest or poor, 7 districts of which belong to Savannakhet Province and 3 belong to Saravanh Province. According to the DICs in the two provinces, small-scale producers have limited opportunities to improve their production techniques. Also there is difficulty in accessing market information, which may be necessary for generating incomes. Therefore, the aim of the Project to promote income generation activities for rural producers in the two provinces through the development and the improvement of local products, meets the needs of the target groups.

Relevance to the Laotian Policy

The Government of Lao PDR focuses on poverty reduction through rural development, income generation of small-scale industries, promotion of small and medium enterprises, and support for commodity productions in the 6th and 7th National Socio-Economic Development Plans (2006-2015). The plans state that creating jobs and stabilizing society by building up the private sector with human resources development are the primary challenges. This project corresponds to such policies by promoting business activities by small enterprises and producer groups in the rural areas by taking advantage of available local resources.

Relevance to the Japanese Policy

This project is highly relevant to the Country Assistance Program of the Government of Japan for Lao PDR as follows:

- Corresponds to one of three goals set in the Assistance Program which is “Support foundation building for the economic growth with a view to promoting economic growth constituting the driving force for independent, sustained growth.”
- Corresponds to one of 6 priority areas in the Assistance Program which is “Institutional building and human resources development for enhancing the private sector.”

The target areas of the project

The target provinces of the project, Savannakhet and Saravanh, are included in the 5 Southern provinces which JICA recognizes as priority areas of the country. These two provinces have different characteristics as below, and the selection of two provinces is appropriate in comparing the results of these provinces, and developing a nationwide plan for ODOP program in the near future.

Name of Province	Characteristic
Savannakhet Province	Located along the East-West Corridor, having a potential of being a hub of trade and service
Saravanh Province	Rural and having less economic activities

**(2) Effectiveness: High**

The Mid-term Review pointed out that more emphasis would need to be placed on (i) marketing aspects of pilot project activities (Output 3), (ii) human resource development of C/P staff and personnel (Output 2) and (iii) development of the operational system (Output 1) during the rest of the Project period. Since then, these points were duly addressed. As a consequence, the Project Purpose is likely to be achieved as the result of the output1-4.

### **(3) Efficiency: High**

Since the Mid-Term Review, DIC Savannakhet assigned 5 staff members for ODOP and plans to assign additional two at the end of the Project. DIC Saravanh, whose 4 personnel had been all volunteers at the time of the Mid-Term Evaluation, assigned one officer since then and plans to assign one more at the end of the Project. 50 additional resource persons from Thailand, Japan and other countries provided training to ODOP groups either voluntarily or with minimum level of honorarium.

The Project conducted some training in Thailand where there is advantage in language similarity and practice of OTOP. Some group members established a personal network with resource persons of such training.

### **(4) Impact: Relatively High**

Impact of the Project is likely to be high if necessary budget is obtained at the provincial level and the commitment at the senior level is continued or raised. DIC in the two provinces have already requested budget allocation from respective province and plan to assign necessary staff members and personnel. Additional structure such as an “ODOP Guiding Committee” in Savannakhet Province is being established. Thus, the likelihood of attaining the Overall Goal has become much higher compared to the time of the Mid-Term Review.

As positive impact, the following points have been found:

- 8 out of 11 ODOP groups interviewed during the Terminal Evaluation answered that their incomes have been increased considerably through the sales of ODOP products.
- Some ODOP group interviewees mentioned that their confidence had been raised as they were able to sell their products with higher quality.
- Some groups came to realize the advantages of working together as a group as they were able to do what had not been possible as individuals. Some groups established group funds to generate necessary finance for their businesses.
- Some groups overcame difficulties in group dynamics, without support from outside.

### **(5) Sustainability: Moderate**

At the policy level, the ODOP Strategy Paper to be developed by the Project needs to be recognized as a basis for developing their own policy document. ERIT has developed the ODOP logo which is already registered at the Ministry of Information, Culture and Tourism and has been submitted to the National Science and Technology Agency to be registered as an intellectual property. ERIT is currently developing guideline for the use of the logo for the ODOP products aimed at the domestic market. Budget has been requested at the provincial level in the two provinces. Budget allocation at the national level is yet to be envisaged.

ODOP structure in the two provinces have been established and planned to be further improved. National level structure may need to be further elaborated. For effective and sustainable implementation of ODOP, collaboration with various organizations including other ministries (e.g. Ministry of Agriculture and Forestry) and the private sector (both local as well as foreign enterprises) need to be strengthened.

### **3-3 Factors that promoted realization of effects**

#### **(1) Factors concerning to planning**

After the project starting, some kinds of surveys were conducted. The adequacy of the planed approach was reconsidered through the results of the surveys, and PDM was dramatically changed. Moreover, PDM was modified one more time through the Mid-Term Review. One could argue that the cooperation effect of this project was drawn by flexible responses in line with the real situation.

#### **(2) Factors concerning to the Implementation Process**

Nothing has been found.

### **3-4 Factors that impeded realization of effects**

#### **(1) Factors concerning to planning**

The final stage of the project was during the rainy season and the Project activities have not been implemented as planned.

#### **(2) Factors concerning to the implementation process**

In the communication between JICA experts and DIC, although there has not been a big trouble, it's found that the expert's indications were sometimes not enough in their absence through the interviews.

### **3-5 Conclusion**

In the Mid-Term Review, some problems were pointed out like the weakness of the initiative of Lao side, activities biased to product development and so on. However, in the latter half of the project period, pilot projects initiated by DIC were formulated, and the Project Team has geared up for marketing and sales. As a result of their efforts, the improvements of the points in the Mid-Term Review were confirmed through this evaluation. Especially, regarding the initiative of Lao side, changes of their attitudes were seen at the central, provincial and grass root level respectively. At the central level, the ODOP logo was developed by ERIT as their own activity. Budget has been requested and the ODOP structure has been established at the provincial level in two provinces. Also, the attitudes of the DIC staff have become more active. In the field, some group members have developed business mind through the project activities like product development, marketing and sales. In addition to that, we could see the development of a group as the establishment of a group fund. However, some ODOP groups are under the process of product development. They haven't reached the process of marketing and sales because of the delay of activities due to rainy season. Also, regarding the Field Manual and ODOP Strategy Paper planned to complete until the end of the project, the discussion between Japanese experts and CPs is still not enough. In order to ensure the signs confirmed in this evaluation that leads to further development of the ODOP movement, the project extension of 2-3 months is necessary. It is expected to consider the extension of the project period. The expected outputs in case of the Project extends are shown in the table below.



Current situation of the project	Expected outputs in case of the Project extends
<p><u>The activities of the ODOP groups under the process of product development</u></p> <p>Three ODOP groups including the pilot project initiated by Saravanh DIC are on the way to develop their products.</p>	<ul style="list-style-type: none"> <li>• All groups will finish their product development and will be able to start marketing and sales.</li> <li>• More groups will be satisfied the project assistance by getting the support regarding the marketing and sales.</li> <li>• The initiative of Saravanh DIC is fostered by the further progress of their pilot project. Also it leads to the capacity building of Saravanh DIC staff.</li> <li>• Achievements of 3 groups will be reflected to the papers, which are Field Manual, Dissemination Plans and ODOP Strategy Paper, written by the Project.</li> </ul>
<p><u>Papers written by the Project</u></p> <p>The following papers are being written by the Project.</p> <ul style="list-style-type: none"> <li>• ODOP Field Manual</li> <li>• ODOP Dissemination Plans in Savannakhet and Saravanh Provinces</li> <li>• ODOP Strategy Paper</li> </ul>	<ul style="list-style-type: none"> <li>• Achievements of 3 groups under the process of product development will be reflected to the papers, and the quality of the papers will be enhanced because the enough time for discussion with Lao CPs will be ensured.</li> <li>• Regarding the lesson-learnt extracted from the experience of the project activities, the understanding of Lao CPs will be deepen through the discussion about the papers</li> </ul>

**3-6 Recommendation and Suggestions**

**(1) Further support for the ODOP groups**

The ODOP groups have participated in a lot of trainings, seminars and workshops organized by the Project. Also, they have experienced a set of processes from product development to marketing and sales as project activities. These experiences have built their confidence to their products and themselves. It's led them to have business mind. For the purpose of that they will continue to their activities and gain the stable income hereafter, it is necessary to improve their management skills for financing, producing, marketing and sales.

**(2) The necessity of collaborations with related government ministries/agencies, International organizations, NGOs and private sector**

The collaborations among organizations concerned including private sector are expected to be the one of most important factors to get further boost to promote ODOP movement, in addition to the strengthening of Lao government's initiative.

Lao PDR is an agricultural country and has a big potential to develop agricultural products. Therefore, especially it is very important to cooperation with Ministry of Agriculture and Forestry. They have monthly joint meeting at the central level. However, in addition to that, it is imperative to accumulate actual collaboration experiences in the fields of provincial and district levels. It would contribute to achieve Overall



Goal, and lead to establish the framework for cooperation between MOIC and MAF.

As for the collaboration with private sector, the efforts for the following points would be important; formulating a network among trading companies, middle men and so on in order to strengthen marketing which has been cited repeatedly as the key task, and strengthening the relationship with ODOP supporting industries like enterprises providing labels, containers and etc. which is vital for product development.

Moreover, It is difficult for local people to reverse their way of thinking in methods for product development, and marketing. Therefore, it is preferred to get inputs from outsiders like international organizations and NGOs in moderation. It would bring out further sustainable development of ODOP activities.

### **(3) Securement of the budget for further promotion of ODOP**

The budget has been requested in both Savannakhet and Saravanh provinces in order to continue to support the ODOP groups. However, the proposal for the budget is not necessarily approved. The way in the case of the budget is not secured should be considered among the people concerned.

## **3-7 Lessons learned**

### **Selection of the approach suitable for prerequisites in each country**

ODOP in Lao PDR is a distinctive project. JICA has been conducted a lot of assistances related to “One Village One Product (OVOP)” in many countries. As represented by Malawi, the major approach is the one to focus on the establishment of a system to promote OVOP movement and capacity building to function it. At first, this project was also planned emphasizing on the establishment of the system. However, it was found that this approach had risk to become a mere façade in the real situation in Lao PDR as the result of looking into local people’s mind for business, education level in rural area, and capacity of local officials. Then, as the very beginning, it was necessary to start with showing the fact that rural people are able to do ODOP activities including product development, marketing and sales, and also prove its effectiveness. As for the approach starting with the establishment of the system, it would be necessary to consider the prerequisites to function it. Then, if the requirements are not met, only way we can take might be the approach close to village development. And the feasibility and effectiveness of the approach should be transmitted at the field and political levels in order to deepen understanding of the people concerned. After that, it would be better to develop the necessary parts of the system sequentially based on the accumulation of the experiences in the fields. It could be said that it more suitable to take the stepwise way composed of some kinds of approaches as above in the view of the real situation in Lao PDR.

The approach taken in ODOP project is characteristic at the point which it was started with product development and proved the effectiveness of the ODOP activities. It could be a production of approach for support of OVOP. As a result, it succeeded to bring out positive action from Lao CPs to promote ODOP movement at the central and field levels. We could say that the change in attitudes of Lao people concerned is great impact of this project. JICA has implemented a lot of projects regarding OVOP in many countries. Based on the experiences in past including the project in Lao PDR, each kind of approach, the required pre-conditions and the sequence to take approaches should be marshaled for the future cooperation.