

Country Name	The One District One Product Pilot Project in Savannakhet and Saravanh Provinces
Lao People's Democratic Republic	

I. Project Outline

Background	<p>In Lao PDR, small-scale producers had limited opportunities to improve their production techniques as well as difficulty in accessing market information so that they could not promote income generation. "The Macroeconomic Policy Support for Socio-Economic Development of JICA in the Lao PDR (MAPS)" implemented from 2003 to 2005 by the National Economic Research Institute addressed that One District One Product (ODOP) movement would be an essential approach to revitalize local businesses and promote potential products for export. MAPS also mentioned that ODOP was one of the measures to improve livelihoods in local areas. Under these circumstances, the Government of Lao PDR requested the Government of Japan for having know-how and experiences of One Village One Product to assist with the technical cooperation project, in order to verify what kind of ODOP suitable to social economy in Laos. Savannakhet and Saravanh Provinces are included in the 5 Southern Provinces in Laos and have different characteristics such as Savannakhet Province being located along the East-West Corridor and having a potential of being a hub of trade and service as well as Saravanh Province being rural and having less economic activities.</p>											
Objectives of the Project	<p>The project aimed at proving the project activities to be effective in promoting ODOP in Savannakhet and Saravanh Provinces, thereby disseminating the ODOP movement in both provinces. The Overall Goal and Project Purpose set forth are as follows.</p> <ol style="list-style-type: none"> 1. Overall Goal: ODOP movement is disseminated in Savannakhet and Saravanh Provinces. 2. Project Purpose: Project activities are proven to be effective in promoting ODOP in Savannakhet and Saravanh Provinces. 											
Activities of the Project	<ol style="list-style-type: none"> 1. Project site: Savannakhet and Saravanh Provinces 2. Main activities: 1) Implementing pilot projects by developing and producing new ODOP products in Savannakhet and Saravanh Provinces, 2) Providing training and study tours on sales & marketing, market research, fund-raising, etc. to ODOP producers, 3) Providing training on the management of ODOP activities to government officers in Savannakhet and Saravanh Provinces, 4) Having seminars to promote the lessons learned from pilot projects in Savannakhet and Saravanh Provinces. 3. Inputs (to carry out above activities) <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese Side</td> <td style="width: 50%;">Lao Side</td> </tr> <tr> <td>1. Experts: 9 persons</td> <td>1. Staff allocated: 15 persons</td> </tr> <tr> <td>2. Trainees received: 18 persons</td> <td>2. Land and facilities: Provision of offices for the project</td> </tr> <tr> <td>3. Equipment: Office equipment, vehicles, equipment necessary for ODOP development products, etc.</td> <td></td> </tr> </table> 				Japanese Side	Lao Side	1. Experts: 9 persons	1. Staff allocated: 15 persons	2. Trainees received: 18 persons	2. Land and facilities: Provision of offices for the project	3. Equipment: Office equipment, vehicles, equipment necessary for ODOP development products, etc.	
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Ex-Ante Evaluation	2008	Project Period	December 2008 – February 2012 (Extension period: December 2011 – February 2012)	Project Cost	308 million yen							
Implementing Agency	Ministry of Industry and Commerce (MoIC), Savannakhet and Saravanh Provincial Department of Industry and Commerce (DIC)											
Cooperation Agency in Japan	IC Net Ltd.											

II. Result of the Evaluation

1 Relevance
<p><Consistency with the Development Plan of Laos at the time of Ex-ante and Project Completion></p> <p>The project was consistent with the 6th National Socio-Economic Development Plan (NSED) (2006-2010) as well as the next 7th NSED (2011-2015), both of which focused on the "poverty reduction through rural development," "income generation of small-scale industries," "promotion of small and medium enterprises" and "support for commodity productions."</p> <p><Consistency with the Development Needs of Laos at the time of Ex-ante and Project Completion></p> <p>The project met the needs of small-scale producers who had limited opportunities to improve their production techniques as well as difficulty in accessing market information necessary for generating incomes in both provinces throughout the project period.</p> <p><Consistency with Japan's ODA Policy at the time of Ex-ante Evaluation></p> <p>The project was consistent with the Country Assistance Policy for Lao PDR which placed "support foundation building for the economic growth with a view to promoting economic growth constituting the driving force for independent, sustained growth" as one of the 3 goals as well as placed "institutional building and human resources development for enhancing the private sector" as one of the 6 priority areas.</p> <p><Evaluation Result></p> <p>In light of the above, the relevance of the project is high.</p>
2 Effectiveness/Impact
<p><Status of Achievement for Project Purpose at the time of Project Completion></p> <p>The Project Purpose was mostly achieved by the project completion. 22 products (12 in Savannakhet and 10 in Saravanh) were developed during the project period (the number of producers are 23 since one product was developed by 2 different producers in Savannakhet and Saravanh) and 12 products (7 in Savannakhet and 5 in Saravanh) such as rattan products, ancient salt, honey, rice whisky, etc. achieved the target promotion level set by the Pilot Project Implementation Plan in the light of the criteria of 1) product development,</p>

2) marketing/sales and 3) group organization, against the target value of 10 products (Indicator 1). Regarding the satisfaction level of ODOP producers in terms of the project support and participation, 80% of them responded that they were satisfied with the project, against the target value of 90% (Indicator 2).

<Continuation Status of Project Effects at the time of Ex-post Evaluation>

The project effects have partially continued after the project. According to the results of interviews to the 23 producers at the ex-post evaluation, 13 products out of 22 (9 in Savannakhet and 4 in Saravanh) have been still produced while other products have been stopped for their production due to the lack of raw materials for production, lack of financial support, difficulty of market access, etc. Most of producers responded that they were not satisfied with the current public support and they needed to have more financial and technical assistances from public agencies.

<Status of Achievement for Overall Goal at the time of Ex-post Evaluation>

The Overall Goal has been partially achieved. After the project completion, while 10 ODOP products (7 in Savannakhet and 3 in Saravanh) have been additionally developed against the target value of 10 products (Indicator 1), 3 ODOP groups (or individuals) have been additionally activated or newly formulated in Savannakhet Province and no group in Saravanh Province against the target value of 10 groups (Indicator 2). It means that while some active producers have been developing new products one after another, new producers have not been formulated as expected. The main reason for no group in Saravanh Province is considered to be less accessibility to financial sources and lack of knowledge of market needs among producers.

<Other Impacts at the time of Ex-post Evaluation>

The ODOP Guiding Committee was established after the project by the director and deputy director of DIC in Savannakhet Province at both provincial and district levels, whose objectives are to develop new ODOP products, coordinate with other departments and public agencies established under the decree on “Establishment of Committee Member for Selecting Potential ODOP of Savannakhet Province” in April 2015. DIC and Committee have a duty for promoting the ODOP Logo (Trademark), ODOP criteria and regulations throughout all ODOP producers in the province. The Committee was established in Saravanh Province as well, but activities of disseminating ODOP strategy plan and promotion have been rarely conducted due to shortage of administrative budget. Also it is deemed that the mandate of the Committee is not fully shared among the members. On another front, no negative impact by the project has been observed in terms of the environmental and social aspects.

<Evaluation Result>

The Project Purpose was mostly achieved by the end of the project and the activities conducted by the project were almost proven to be effective in promoting ODOP in Savannakhet and Saravanh Provinces. These activities on ODOP promotion conducted by the project have continued mostly in Savannakhet but partially in Saravanh Province after the project. The Overall Goal has been also partially achieved after the project and the dissemination of ODOP movement has not been promoted in full in both provinces. Although the ODOP Guiding Committee was established after the project in both provinces to promote the ODOP dissemination in the provinces, the Committee has not been actively working especially in Saravanh Province. Therefore, effectiveness/impact of the project is fair.

Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results																				
(Project Purpose) Project activities are proven to be effective in promoting ODOP in Savannakhet and Saravanh Provinces.	1. More than ten products are successfully promoted as ODOP products according to the plan (PPIP).	<u>Status of achievement: Achieved</u> (Project Completion) According to the result of survey conducted by the project, 12 ODOP products achieved the target promotion level set by the project in the Pilot Project Implementation Plan in terms of 1) product development, 2) marketing/sales and 3) group organization. (Ex-post Evaluation) 13 products out of 22 have been currently produced and other products have been stopped for their production.																				
	2. More than 90% of ODOP producers are satisfied with the results of the project support and participation.	<u>Status of achievement: Mostly achieved</u> (Project Completion) According to the result of survey conducted by the project to all the ODOP producers, nearly 80% of them were satisfied with participating in the project activities and having supports from the project. (Ex-post Evaluation) According to the result of interview to the 23 ODOP producers at the ex-post evaluation, most of producers responded that they were not satisfied with the current public support and they needed to have financial and technical supports from public agencies.																				
(Overall Goal) ODOP movement is disseminated in Savannakhet and Saravanh Provinces.	1. More than ten ODOP products are additionally developed by 2015.	<u>Status of achievement: Achieved</u> (Ex-post Evaluation) From the project completion to the time of ex-post evaluation, the number of ODOP products which have been additionally developed in Savannakhet and Saravanh Provinces is as follows. <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Province</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Savannakhet</td> <td>1</td> <td>1</td> <td>5</td> <td>0</td> </tr> <tr> <td>Saravanh</td> <td>0</td> <td>0</td> <td>3</td> <td>0</td> </tr> <tr> <td>Total</td> <td>1</td> <td>1</td> <td>8</td> <td>0</td> </tr> </tbody> </table> As shown above, 10 ODOP products have been additionally developed.	Province	2012	2013	2014	2015	Savannakhet	1	1	5	0	Saravanh	0	0	3	0	Total	1	1	8	0
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2. More than ten ODOP groups (or individuals) are additionally activated or newly formulated by 2015.	<u>Status of achievement: Not achieved</u> (Ex-post Evaluation) From the project completion to the time of ex-post evaluation, the number of ODOP groups (or individuals) which have been additionally activated or newly formulated in Savannakhet and Saravanh Provinces is as follows. <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Province</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Savannakhet</td> <td>1</td> <td>1</td> <td>1</td> <td>0</td> </tr> <tr> <td>Saravanh</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>1</td> <td>1</td> <td>1</td> <td>0</td> </tr> </tbody> </table>	Province	2012	2013	2014	2015	Savannakhet	1	1	1	0	Saravanh	0	0	0	0	Total	1	1	1	0	
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Source: JICA Internal documents, Interviews with DICs of Savannakhet and Saravanh Provinces and ODOP producers

3 Efficiency

The project period was slightly longer than planned (ratio against the plan: 106%) with the two-month extension of the project period for the purpose of fully implementing the project activities based on the recommendation by the terminal evaluation. The project cost was also slightly higher than planned (ratio against the plan: 106%) with the extension of the project period. Therefore, efficiency of the project is fair.

4 Sustainability

<Policy Aspect>

The current 8th NSEDP states that improvement of financial access of small and medium-sized enterprises (SMEs) for producing agro-products, commercial processing industries and handicraft production is focused on the policy implementation of Output 1 “Ensuring sustained and inclusive growth” and Output 3 “Integrated development and local development” in Outcome 1 “Continued, firm and inclusive growth by consolidating strong economic foundations and reducing economic vulnerability” out of 3 outcomes. Capacity building for SMEs is also stressed on Output 6 “Local entrepreneurs are competitive in domestic and global markets” in Outcome 1. The ODOP promotion is also set forth in the annual implementation plan of Savannakhet and Saravanh DICs; however, this priority in policy has not been necessarily reflected in the budget disbursement for ODOP activities in both provinces as described at the “Financial Aspect” below.

<Institutional Aspect>

DICs of both provinces are responsible for the dissemination and promotion of ODOP movement in the province. Currently 9 officers are mainly in charge of ODOP activities in Savannakhet DIC and this assigned number is considered to be slightly insufficient to handle with their current workload covering 15 districts in the province. In addition, the responsible staff has been frequently changed and it is difficult for DIC to recruit new staff due to a limited budget from the central government. As for Saravanh DIC, there are 4 officers in charge of ODOP promotion activities and this number is also insufficient since they have shortage in specific knowledge and experiences in marketing, management, processing and design of production required for the promotion activities.

<Technical Aspect>

The ODOP Strategic Paper, ODOP Dissemination Plan and ODOP Field Manual developed by the project have not been effectively used in both DICs since these materials have not been properly transferred from the previous staff to new staff in charge of development of ODOP promotion’s action plan of DICs. On the other hand, the Provincial Laos National Chamber of Commerce and Industry (LNCCI), Trade and Product Promotion Department (TPPD) of MoIC and other related agencies have provided some technical training to producers who still have difficulty in record keeping on their production and sales and gave them an opportunity to participate in the ODOP production exhibition organized by MoIC, which was good for them to learn about quality improvement of their products and update the current market trend and demand. Also, the accumulated knowledge from attending training courses and workshops in Thailand and Vietnam during the project period is still applicable for the DIC officers and some technical officers who have ever worked with JICA experts during the project can sometimes provide useful advices to producers in developing ODOP products. Furthermore, the JICA’s grass-root technical cooperation “ODOP Regional Promotion Project in South Laos (ODOP2)” (2012-2015) also focused on the technical support to ODOP producers.

<Financial Aspect>

The budget of 6 million Kip (approximately 84 thousand yen) was allocated in 2015 in Savannakhet DIC and this amount is significantly insufficient for the ODOP promotion in the province. Due to this shortage of budget, it is difficult to fully implement ODOP promotion activities such as recruitment of new staff, field visit, conducting training, etc. in the province. However, additional budget from the “SME Fund”¹ by MoIC is applicable for DICs, which is not a temporary source and DICs have a chance to obtain every year if the project proposal is approved by the screening committee of MOIC. Savannakhet DIC is to receive 66 million Kip (approximately 0.9 million yen) in 2016 following the approval of its application. While the budget of 20 million Kip (approximately 0.3 million yen) has been allocated every year in Saravanh DIC, almost half of budget have been used for buying ODOP products to sell at the ODOP Center in the province and it is also difficult to cover main requirements of ODOP promotion activities. Saravanh DIC has also applied for the additional budget from the SME Fund to MoIC. The annual budget of both DICs for the administration cost and implementation plan relies on the local government’s budget as well as allocated budget from MoIC and they are relatively small amount to conduct the implementation plan, so the SME Fund is expected to supplement the financial resources of both DICs. Regarding the current financial situation of ODOP producers, while some ongoing producers have shown good business practices/performances and generated good profit/income, they still need more financial supports from public organizations/agencies to scale up their business.

<Evaluation Result>

While the additional budget scheme by MOIC and the implementation of ODOP2 are good signs for the financial and technical situations of both DICs, some issues to be improved have been still acknowledged in terms of institutional, technical and financial aspects of the implementing agencies. Therefore, sustainability of the project is fair.

5 Summary of the Evaluation

The Project Purpose was mostly achieved by the end of the project and the activities conducted by the project were almost proven to be effective in promoting ODOP in Savannakhet and Saravanh Provinces. These activities on ODOP promotion conducted by the project have continued mostly in Savannakhet but partially in Saravanh Province after the project and the Overall Goal has been also partially achieved and the dissemination of ODOP movement has not been promoted in full in both provinces. Regarding the sustainability of the project, while the additional budget scheme by MOIC and the implementation of ODOP2 are good signs for the financial and technical situations of

¹ The SME Fund was established in line with the Prime Minister’s decree on SME Fund promotion and development in March 2010 to mobilize funds of public and private sectors from both domestic and international for SME promotion and development activities. The main objective is to provide mobilized funds for SME producers who have less accessibility for a financial credit. The Fund has been also provided for supports on technical development for SMEs in order to strengthen their capacities on management, production, services, market accessibility, etc. from income, interest and service fee of funds from 2013. Around 300-500 million Kip per year is provided for successful applicants and any associations, public and private organizations, institutions and business groups are fully considered as eligible applicants.

DICs in both provinces, some issues to be improved are still acknowledged in terms of institutional, technical and financial aspects of both DICs in promoting the ODOP movement in the provinces. The project period as well as project cost were slightly longer/higher than planned.

In light of the above, this project is evaluated to be partially satisfactory.

III. Recommendations & Lessons Learned

<Recommendations for Implementing Agency>

1. MoIC, Savannakhet and Saravanh DICs are recommended to make efforts continuously to increase the human and financial resources for implementing the ODOP promotion activities in both provinces according to the ODOP Strategic Paper as well as ODOP Dissemination Plan.
2. Both the ODOP Strategic Paper and ODOP Dissemination Plan are important tools for the ODOP promotion activities, so the Savannakhet and Saravanh DICs need to regularly use them in formulating a new action plan in line with the provincial strategy and implementation plan. They also should allocate the technical officers who have ever been trained during the project implementation to the relevant position in DICs for the smooth implementation of ODOP promotion activities.
3. The Savannakhet and Saravanh DICs should make efforts to conduct training for improving technical knowledge and skills of their officers and ODOP producers as well as to share and disseminate the ODOP Field Manual to other stakeholders in the province. Furthermore, they should strengthen a coordination mechanism between DICs and other related agencies.

<Lessons Learned for JICA>

It was found at the ex-post evaluation that the ODOP Strategic Paper, ODOP Dissemination Plan and ODOP Field Manual developed by the project have not been used in full by the implementing agencies and related organizations after the project and that the institutional, technical and financial sustainability of the project was relatively low. In regard to this finding, the consensus should have been properly made between JICA experts and implementing agencies on the implementation of project activities during the project period; for example, there was a case that some ODOP products selected for the pilot project implementation were not actually included in the product development plan of Savannakhet Province. It is therefore important that even detailed activities such as selection of ODOP products/producers should be in line with the policy/plan of implementing agencies to ensure the sustainability as well as effectiveness/impact of the project. Also it was found that the effectiveness and sustainability in two provinces have been different level. When selecting the project site, it is important to check the coordinating capacity of budget application and framework of information sharing with stakeholders of each organization for smooth and effective implementation.



Ancient salt factory in Savannakhet Province



Lao-whisky factory in Saravanh Province