

Lao People's Democratic Republic

FY2018 Ex-Post Evaluation of Technical Cooperation Project
“Laos Pilot Program for Narrowing the Development Gap towards
ASEAN Integration (LPP)”

External Evaluator: Hideyuki Takagi, Ernst & Young ShinNihon LLC

0. Summary

This project was implemented in Laos as a pilot country as a means of coordination and cooperation between JICA and the Association of Southeast Asian Nations (ASEAN)¹ to support new ASEAN member countries as narrowing the regional development gap between the six leading member countries and the four new member countries including Laos has been regarded as the most important issue for the establishment of the ASEAN Community². There were three cooperation components (agriculture, environmental management and tourism) in the project that were implemented from the viewpoint of aiming at sustainable development by making use of the strength of Laos-rich and beautiful natural resources and environment-in a different way of development from other countries.

This project was highly relevant to the development plan and development needs of Laos, as well as Japan's ODA policy. Therefore, relevance of the project is high. The approach of each cooperative component has been institutionalized by the relevant ministries; however, some parts of the project purpose have not been achieved as dissemination in the country had not progressed before the completion of the project. Regarding the overall goal of “the promotion of ASEAN integration,” the ASEAN Community has been established without achieving many goals including the reduction of the regional development gap. On the other hand, it is expected that in the medium- to long-term, continuing and expanding sustainable development through each cooperation component of this project will contribute to narrowing the regional development gap. Based on these observations, effectiveness and impact of the project are fair. Although the project period was within the plan, the project cost exceeded the plan. Therefore, efficiency of the project is fair. The policy background and the organizational, technical, and financial aspects of sustainability have been maintained; therefore, sustainability of the project effects is high.

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

¹ ASEAN was established with five countries (Thailand, Indonesia, Singapore, the Philippines, and Malaysia, the original member countries) in 1967, and Brunei joined in 1984 (6 leading member countries). Cambodia, Laos, Myanmar and Vietnam (4 new member countries) joined in the 1990s.

² Three ASEAN communities (“ASEAN Political-Security Community,” “ASEAN Economic Community,” and “ASEAN Socio-Cultural Community”) were established at the end of 2015.

1. Project Description

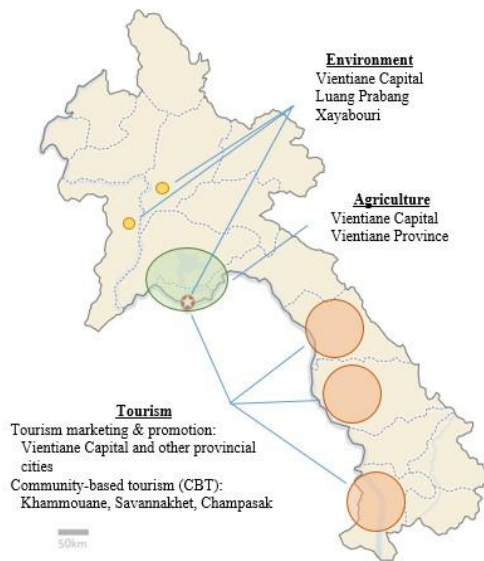


Figure 1. Project Location



Photo 1. Harvest of a pilot farmer group - continuing the agricultural production method transferred by the project (suburb of Vientiane)

1.1 Background

Based on the ASEAN Charter, which came into effect in December 2008, the ten ASEAN member countries were working towards ASEAN integration in line with the “ASEAN Integration Roadmap” with the goal of establishing an ASEAN Community by 2015. However, new member countries, namely Cambodia, Laos, Myanmar and Vietnam (CLMV) were behind in terms of the development level and the status of implementation measures towards ASEAN integration. Given this situation, narrowing regional disparities was the greatest issue for promoting regional integration, and various approaches were promoted by ASEAN such as the “Initiative for ASEAN Integration” (hereinafter referred to as “IAI”) to realize the establishment of ASEAN Community. These approaches taken by ASEAN at that time were to support new member countries equally and collectively.

Given these circumstances, ASEAN launched a new policy of providing tailor-made support based on the needs of each country, as there were differences among the new member countries in the status of development, society, and culture. ASEAN called for JICA to cooperate on support for these areas based on its experience in bilateral assistance. The project was implemented in Laos as a pilot country under the new assistance policy of ASEAN to narrow the development gap of new ASEAN member countries. It aimed to support the efforts of the Government of Laos in line with the ASEAN Integrated Roadmap, using the resources from both Japan and ASEAN. The details of the support were determined based on the concept of “Clean, Green and Beautiful Laos,” a strategic vision with the themes of “clean environment” and “green economy,” in order to cooperate towards

sustainable development making use of the strengths of Laos. Specifically, three areas were determined as cooperative components, namely, safe and quality agricultural product promotion, environmental management, and tourism promotion (hereinafter referred to as the “agriculture component,” the “environmental management component,” and the “tourism component,” respectively).

1.2 Project Outline

Overall Goal		The development gap towards ASEAN integration is narrowed and regional integration is promoted
Project Purpose		Tripartite cooperation mechanism among Lao PDR, ASEAN and JICA is established and functions for narrowing the development gap towards ASEAN integration
Outputs	Output1	An appropriate implementation structure to promote measures for narrowing the development gap towards ASEAN integration is established and enhanced in the Lao PDR and ASEAN
	Output2	ASEAN’s initiative for narrowing the development gap is advanced by strengthening the linkage between each component and relevant ASEAN sectoral body and by mobilizing resources from ASEAN member states and Japan
	Output 3	Capacity of the Government of the Lao PDR to deal effectively with issues with ASEAN integration is strengthened
Total Cost (Japanese Side)		1,244 million yen
Period of Cooperation		October 2010 - October 2015
Project Area		Vientiane Capital, Vientiane Province, Luang Prabang District, Xayabouri District, Khammouane Province, Savannakhet Province, Champasak Province
Implementing Agency		Ministry of Planning and Investment
Other Relevant Agencies / Organizations		Ministry of Foreign Affairs, Ministry of Agriculture and Forestry, Ministry of Natural Resources and Environment, Ministry of Public Works and Transport, Ministry of Information, Culture and Tourism, ASEAN Secretariat
Supporting Agencies/Organizations in Japan		None
Related Projects		<JICA Technical Cooperation Projects > Agriculture Component: “Lao Organic Agriculture Promotion Project”(2013-2016), “Clean Agriculture Development Project” (2017-2022) Environmental Management Component: JICA Partnership Program “Project for Assistance to Develop An Effective Waste Utilization System with Citizen Cooperation in

	<p>Vientiane Capital, Lao PDR” (2015 - 2018)</p> <p>Tourism Component: “Project for Practical Tourism Development in East-West Economic Corridor” (2008-2011), “The One District One Product Pilot Project in Savannakhet and Saravanh Provinces” (2008-2012)</p> <p><JICA Grant Aid Projects></p> <p>“The Project for Improvement of Solid Waste Management in Environmentally Sustainable Cities” (March 2014)</p> <p>< Other: International agencies, donors ></p> <p>Agriculture Component: Joint cooperation between Deutsche Gesellschaft fur Inter-natio-nale Zusam-men-arbeit (GIZ) and Thailand International Development Cooperation Agency (TICA): “Strengthening National Good Agricultural Practices (GAP) in Lao PDR Project”(2012-2015)</p> <p>Environmental Management Component: Asian Development Bank (ADB) “Greater Mekong Sub-region Tourism Infrastructure for Inclusive Growth Project” (2014-2020), GIZ “Luang Prabang - Handle with Care Project” (2016-2019)</p> <p>Tourism Component: ADB “Greater Mekong Sub region: Sustainable Tourism Development Project” (2009-ongoing (third phase))</p>
--	--

1.3 Outline of the Terminal Evaluation

1.3.1 Achievement Status of Project Purpose at the time of the Terminal Evaluation

The project purpose of “Tripartite cooperation mechanism among Lao PDR, ASEAN and JICA is established and functions for narrowing the development gap towards ASEAN integration” could be achieved based on the degree of achievement of the indicators. As for indicator 1, “Working framework on tripartite cooperation mechanism is elaborated,” the system had been established. As for indicator 2, “Actions for target sectors described in roadmap for an ASEAN Community 2009-2015 (agriculture, environment and tourism) are implemented in Lao PDR,” each component had almost been achieved.

1.3.2 Achievement Status of Overall Goal at the time of the Terminal Evaluation (including other impacts)

It was stated that the overall goal “The development gap towards ASEAN integration is narrowed and regional integration is promoted” was likely to be achieved because the development gap was still large, as Laos’s HDI in 2013 was ranked 139th in the world, whereas the six leading members are located between 9th in Singapore and 117th in the Philippines.

1.3.3 Recommendations from the Terminal Evaluation

(1) The following recommendations were made for the achievement of the overall goal:

- The whole project: Strengthening and continuing the working framework in Laos centered around the Ministry of Planning and Investment (hereinafter referred to as “MPI”) and the Ministry of Foreign Affairs (hereinafter referred to as “MoFA”)
- Agriculture Component: Close collaboration among related organizations and continuation of activities of the Good Agriculture Practice (hereinafter referred to as “GAP”³) including the Clean Agriculture Standard Center (hereinafter referred to as “CASC”) of the Ministry of Agriculture and Forestry (hereinafter referred to as “MAF”) and a plant protection center, further capacity development of GAP farmers’ group members and GAP farm advisors of the Provincial Agriculture and Forestry Office (hereinafter referred to as “PAFO”) and the District Agriculture and Forestry Office (hereinafter referred to as “DAFO”), appropriate follow-up to farmers’ groups for GAP certification, support for opening GAP market, and finalization of GAP road map
- Environmental Management Component: Promoting Environmentally Sustainable Cities (hereinafter referred to as “ESC”⁴) throughout the country using ESC guidelines and manuals by the Ministry of Natural Resources and Environment (hereinafter referred to as “MoNRE”), finding recyclers, and continuing to support the development of the ESC vision
- Tourism Component: Further public-private collaboration in tourism promotion including Community-Based Tourism (hereinafter referred to as “CBT”⁵)

(2) The following recommendations were made to ensure sustainability:

- The whole project: Strengthening and continuing the working framework in Laos centered around MPI and MoFA, and securing a budget for capacity building and human resource utilization
- Agriculture Component: Planning and budgeting for the maintenance and management of CASC exhibition farm, facilities and equipment
- Environmental Management Component: Improvement of capacity for proper operation and management of waste management facilities and equipment in administrative

³ A method of production-process management to promote safe and secure agricultural production. There are four module-based standards: food safety, environmental management, workers’ health, safety and welfare, and product quality improvement.

⁴ Initiative for environmental problems in ASEAN cities that are formulated and implemented with action plans and strategies, focusing on environmental issues related to the three areas of air, water, and land. In ASEAN member countries, one or more cities are registered as ESC; Vientiane, Luang Prabang, and Xayaboury are the registered cities in Laos.

⁵ A tourist spot managed and operated by a community in which the lifestyle and culture of the local residents are used as tourism resources. The project is aimed at “Tourism promotion with the appropriate and sustainable use of tourism resources related to nature, culture, history and folklore of Laos.” In the project, pilot villages with tourism resources such as ecotourism, Buddhism, and traditional crafts were selected to provide support to the villagers.

agencies

- Tourism Component: Securing the financial resources of the public sector to support CBT

2. Outline of the Evaluation Study

2.1 External Evaluator

Hideyuki Takagi, Ernst & Young ShinNihon LLC

2.2 Duration of Evaluation Study

This ex-post evaluation study was conducted with the following schedule.

Duration of the Study: August 2018 – November 2019

Duration of the Field Study: November 1 – December 13, 2018, February 24 – March 1, 2019

3. Results of the Evaluation (Overall Rating: B⁶)

3.1 Relevance (Rating: ③⁷)

3.1.1 Consistency with the Development Plan of Laos

(1) Consistency with the National Development Plan

The national development plan of Laos has continued to promote sustainable development which balances development, society and the environment. The *7th National Socio-Economic Development Plan 2011-2015* at the time of the planning of the project prioritized sustainable socioeconomic development which gives consideration to the environment. The draft of the *8th National Socio-Economic Development Plan 2016-2020*⁸ at the time of the project completion included agriculture, environmental management and tourism, the three cooperation components of the project in the priority development issues, as specific measures to promote sustainable development. In addition, the plan stated the policy of narrowing the regional development gap.

Regarding the policy for establishing the ASEAN community at the time of planning of the project, the *ASEAN Economic Community Blueprint 2007*⁹ stated that narrowing the regional development gap between the six leading member countries and the four new member countries including Laos was the most important issue. At the completion of the project, when the establishment of the community was imminent, the *ASEAN Community*

⁶ A: Highly satisfactory, B: Satisfactory, C: Partially satisfactory, D: Unsatisfactory

⁷ ③: High, ②: Fair, ①: Low

⁸ Official approval was made in April 2016.

⁹ A schedule for the establishment of the ASEAN Economic Community was set out to solve the four areas of problems from 2008 to 2015, namely the single market and production base, competitive area, fair economic development, and integration into global economy.

*Vision 2025*¹⁰ and the *ASEAN Economic Community Blueprint 2016-2025*¹¹ continued the policies for the correction of the regional development gap looking ahead after the establishment of the community.

In light of the above, the implementation of the project was consistent with the development plan of Laos and the policy for establishing an ASEAN community at the time of planning and completion.

(2) Consistency with the Sector Development Plan

The development plans for the three cooperation components promoted the project activities at the time of planning and the completion of the project as shown below.

Table1. Sector development plan on each cooperation component

Component	At the time of project planning	At the time of project completion
Agriculture	<ul style="list-style-type: none"> • <i>ASEAN integration roadmap</i>: Introduction of ASEAN GAP • <i>Clean agriculture policy 2006</i>: Definition and classification of GAP • <i>Agriculture strategy 2011-2020 draft</i>: Emphasizing the introduction of GAP 	<ul style="list-style-type: none"> • <i>7th agriculture and forestry sector development 5-year action plan 2011-2015</i>: Focusing on “clean agriculture” aiming for value-added agricultural products through safe production • <i>Food Security and Commercial Production Program 2010-2015</i>: Promotion of high value-added agricultural production and processed food industry
Environmental management	<ul style="list-style-type: none"> • <i>ASEAN Initiative for Environmentally Sustainable City (AIESC)</i>: Luang Prabang, Vientiane Capital and Xayabouri have been registered as ESC. • <i>National environmental strategy 2020 and Environment action plan 2011-2015</i>: Promotion of ESC 	<ul style="list-style-type: none"> • Environmental management action plan of MoNRE (2011-2015): Strengthen the capacity of solid waste management in target cities of the project • Environmental policy of MoNRE: Promotion of the dissemination of ESC guidelines
Tourism	<ul style="list-style-type: none"> • <i>ASEAN integration roadmap and ASEAN roadmap for integration of tourism sector</i>: Strengthen tourism promotion across all ASEAN Member Countries • <i>National tourism development</i> 	<ul style="list-style-type: none"> • <i>National tourism development strategy 2006-2020</i>: development of ecotourism • CBT promotion policy of the Ministry of Information and Tourism (hereinafter referred to as MICT):

¹⁰ A vision for further ASEAN integration following the establishment of the ASEAN communities. It was adopted at the ASEAN Summit in November 2015, when the establishment of the ASEAN Community was declared.

¹¹ A schedule for the achievement of objectives of the ASEAN Economic Community. It was adopted at the above-mentioned summit, together with the other two community blueprints.

Component	At the time of project planning	At the time of project completion
	<i>strategy 2006-2020: development of ecotourism</i>	Promotion of CBT as a poverty alleviation measure that contributes to the improvement of local employment and income

Source: Materials were provided by JICA for the information before the project, and by the counterpart (hereinafter referred to as “C/P”) agencies for information after project completion.

3.1.2 Consistency with the Development Needs of Laos

At the time of planning, Laos had a large development gap with the ASEAN leading member countries in terms of Gross National Income (GNI), poverty rate, basic education enrollment rate, etc., and efforts towards the formation of a unified ASEAN market were also delayed. Given these circumstances, each cooperation component of the project was planned to narrow the regional development gap, from the viewpoint of using the strengths of Laos, including rich and beautiful natural resources and environment, aimed at sustainable development in a different way from the development in other countries. Each cooperation component was formulated based on the strategic vision “Clean, Green and Beautiful Laos” (February 2010) proposed by JICA. Among the priority areas, the promotion of ecotourism and tourism standards and clean agriculture¹² promotion were selected from the “green economy.” The environmental management with eco model and low emissions was selected from the “clean environment.”

At the time of project completion, narrowing the development gap within the ASEAN region had not been achieved yet; therefore, it was still an issue for the ASEAN community. For this reason, approaches for each cooperation component planned for sustainable development were required as well, as stated below.

- **Agriculture Component:** Laos is an inland country. In Laos, land transportation infrastructure connecting neighboring countries has been developed in recent years. As a result, exports of organic and reduced pesticide agricultural products produced in the country have been increasing as high-quality agricultural products. In addition, there were significant needs for GAP certification for agricultural products for export in banana plantations in the six Northern provinces and rice-growing areas in the middle-south.
- **Environmental Management Component:** There was room for improvement in waste collection in major cities, and disposal at the disposal site was not environmentally sound. It was necessary to improve administrative waste management capabilities in order to cope with these issues.
- **Tourism Component:** As the economic gap between Vientiane Capital and the region

¹² A safe, secure and sustainable agriculture including organic cultivation.

widens, tourism was promoted and positioned as an important industry in the region as well as agriculture. In particular, CBT was one of the rural poverty alleviation measures.

In light of the above, development needs for sustainable development were high in all three cooperation component areas, from the time of planning to the time of project completion. Therefore, the implementation of the project was consistent with the development needs of Laos at the time of planning and completion.

3.1.3 Consistency with Japan's ODA Policy

The project was consistent with Japan's aid policy as follows during planning of the project.

(1) Assistance Policy to ASEAN

In the fundamental principles and value of the *Tokyo Declaration for the Dynamic and Enduring Japan-ASEAN Partnership in the New Millennium (December 2003)*¹³, it was stated that "Japan, through its development assistance and support programs, will give high priority to ASEAN'S economic development and integration efforts as it strives to realize the ASEAN Community."

(2) Country Assistance Policy

The basic policy of the *Country Assistance Policy for Laos (September 2006)* stated that "Japan supports the self-help efforts of Laos for poverty reduction and human development, as well as self-help efforts to achieve voluntary, self-sustaining and sustainable economic growth towards global and regional economic integration. The project was implemented based on these policies.

The project was highly relevant to the development plan and development needs of Laos, as well as Japan's ODA policy. Therefore, its relevance is high.

3.2 Effectiveness and Impact¹⁴(Rating: ②)

3.2.1 Effectiveness

The project was implemented in Laos as a pilot country for the purpose of establishing a "tripartite cooperation mechanism" as a means of coordination and cooperation between JICA and ASEAN for the assistance of ASEAN new member countries. Specifically, it was planned to standardize the process of the following project cycle of the coordination and cooperation.

¹³ The declaration was adopted at the Japan-ASEAN Special Summit in December 2003 as a guide to the basic direction of the future Japan-ASEAN relationship.

¹⁴ Sub-rating for Effectiveness is to be performed with consideration to Impacts.

- i. Establishment of the system of the tripartite cooperation of ASEAN and JICA for Laos (and other new ASEAN member countries), and
- ii. Planning, implementation, monitoring and evaluation of the project under the tripartite cooperation mechanism

During the implementation of the project, the tripartite cooperation mechanism was established consisting of a “working framework in Laos” and a “cooperation with ASEAN.” The working framework in Laos coordinated the cooperation between each cooperative component and the relevant ministries centered around MPI and MoFA. As for the cooperation with ASEAN, the ASEAN secretariat coordinated the ASEAN working groups and each cooperative component.

3.2.1.1 Project Outputs

The outputs of the project are deemed to be mostly achieved by the project completion as described below.

Table 2. Achievement of Project Outputs

Project Outputs	Actual / Achievements
Output 1. “An appropriate implementation structure to promote measures for narrowing the development gap towards ASEAN integration is established and enhanced in the Lao PDR and ASEAN”	<p>Indicator 1 “LPPO (3 co-managers) is set up no later than March 2011”: The tripartite cooperation mechanism was organized and the related parties played their respective roles on the implementation of the project. MIP and MoFA assumed the role of coordination among the relevant ministries, confirmation of the progress, providing advice, and monitoring project implementation. The ASEAN secretariat assumed the role of coordination with ASEAN working groups, holding workshops and participating in seminars in other CLMV countries, and inviting experts from ASEAN countries. JICA assumed the role of dispatching experts, implementation of the project, and monitoring project implementation.</p> <p>Indicator 2 “Practical annual plans are formulated in the first quarter of every year”: Annual plans were formulated. Indicator 3 “Guidelines for initiative for ASEAN integration (IAI) is formulated by ASEAN with flexibility on implementation modalities”: IAI guidelines were formulated.</p> <p>Accordingly, output 1 is deemed to be achieved.</p>
Output 2. “ASEAN’s initiative for narrowing development gap is advanced by strengthening the linkage between each component	<p>Indicator 1 “ASEAN initiative for promoting safe and quality agricultural products, environmentally sustainable cities and tourism promotion is embedded into policy and/or official documents of the relevant ministries”: The cooperation components of the project were implemented as planned in general by utilizing the resources provided by ASEAN countries, and the approaches of each cooperation component were incorporated within the policy of each ministry. The achievement status of the purpose of each cooperation component was as follows:</p> <p>Agriculture Component “GAP is introduced for safe and quality agricultural</p>

Project Outputs	Actual / Achievements
<p>and relevant ASEAN sectoral body and by mobilizing resources from ASEAN member states and Japan”</p>	<p>products promotion in Lao PDR”: The system of GAP certification was introduced and operated through the practice of pilot farmer groups in the Laos capital of Vientiane and the Vientiane province. Meanwhile, few GAP agricultural products were produced or traded. Therefore, the component purpose is deemed to be achieved to a large extent.</p> <p>Environmental Management Component “Promotion of Environmentally Sustainable City (ESC) in Laos is enhanced based on the ASEAN Initiative on Environmentally Sustainable Cities (AIESC)”: The improvement of solid waste management was achieved in the Laos capital of Vientiane, the Luang Prabang district and the Xayabouri district¹⁵. In addition, workshops were held for disseminating the ESC guidelines inviting participants from provincial cities. Among the participant cities, three cities¹⁶ were provided assistance to formulate ESC visions¹⁷ etc., therefore, the component purpose is deemed to be mostly achieved.</p> <p>Tourism Component “Through collaboration between the public and private sectors, and between the central (MICT) and local (PTDs) governments, a tourism promotion mechanism making appropriate and sustainable use of tourism resources of Laos including nature, culture, history and folklore is established”: Tourism promotion was conducted on a nationwide scale, and the activities of CBT were carried out in the pilot provinces of Khammouane, Savannakhet and Champasak. However, the system of CBT promotion was not established (as described in the section “Institutional/Organizational Aspect for the Sustainability of Project Effects” below). Therefore, the achievement is deemed to be fair for the component purpose as a whole.</p> <p>Indicator 2 “Activities of NDG towards ASEAN Integration implemented under the concerned ministries and agencies of the Government of Lao PDR are mentioned in ASEAN documents and/or reports”: Effectiveness of the project was mentioned in ASEAN document (IAI medium-term review report)¹⁸.</p> <p>Accordingly, output 2 is deemed to be mostly achieved.</p>
<p>Output 3. “ASEAN’s initiative for narrowing the development gap is advanced by</p>	<p>Indicator 1 “Working framework between each component and relevant ASEAN sectoral body is established”: Regarding the cooperation with ASEAN, relationship between the ministries relevant to cooperation components and the ASEAN sector departments were strengthened and working level consultations were made, which contributed to the smooth implementation of measures regarding the common issues of ASEAN in Laos.</p>

¹⁵ There were some project activities for waste reduction, reuse, and recycling (3R) that have not sustained well based on the observation at the site visits during the ex-post evaluation, such as composting in ordinary homes (refer to the “Lessons learned” as stated below).

¹⁶ During the project period, ESC visions were formulated and priority sectors were selected for the three cities of Bang Vieng in Vientiane Province, Pakxan in Borikhamxai Province, and Kaysone Phomvihane in Savannakhet Province.

¹⁷ ESC Visions were formulated as a strategy to realize the improvement of the urban environment, which classify the targets of improvement into three categories, “socio-economic environment,” “natural environment,” and “socio-living environment,” and set the goal for each item included in each classification.

¹⁸ The document mentioned the effectiveness of comprehensive program cooperation including this project and recommended that the project should be certified as an IAI project.

Project Outputs	Actual / Achievements
strengthening the linkage between each component and relevant ASEAN sectoral body and by mobilizing resources from ASEAN member states and Japan”	<p>Indicator 2 “Working framework among MoFA, MPI and three components is established”: The working framework in Laos centered around MPI and MoFA functioned, by providing advice to the relevant ministries and coordinating the project implementation. MPI and MoFA confirmed the progress of each cooperation component through the participation in the workshops and the annual meetings and monitored the implementation by reviewing the monthly, quarterly and annual reports. In addition, MPI and MoFA provided necessary advice to the relevant ministries regarding budget etc., which enabled the ministries to secure budget for component activities and coordination with the local government.</p> <p>Indicators 3 “Concerned ministries and agencies understand the purpose of ASEAN integration” and 4 “The number of presentations on LPP as a new modality of ASEAN integration made at ASEAN forums by the GOL”: The project was introduced continuously at the ASEAN awareness seminars held by the C/Ps and ASEAN forum.</p> <p>In light of the above, output 3 is deemed to be mostly achieved.</p>

3.2.1.2 Achievement of Project Purpose

The achievement status of the project purpose “Tripartite cooperation mechanism among Lao PDR, ASEAN and JICA is established and functions for narrowing the development gap (NDP) towards ASEAN integration” was that the working framework in Laos and the cooperation with ASEAN functioned through the implementation of the pilot projects of the three cooperation components, which contributed to the realization of effects related to each component purpose. Through the functioning of the working framework in Laos, administrative functions to solve the challenges of development were promoted such as the cross-ministerial efforts and the cooperation between the central and local governments. The cooperation with ASEAN functioned in strengthening the relation between cooperation components of the project and the ASEAN sector departments. JICA achieved the role of comprehensive adjustment for the implementation of the project by working together with the Lao side and ASEAN while executing the cooperation items of the Japanese side.

Table 3. Achievement of Project Purpose

Indicator	Actual / Achievement
Working framework on tripartite cooperation mechanism is elaborated	The system for the tripartite cooperation mechanism was established in the Government of Laos, ASEAN and JICA, respectively. Specifically, the working framework in Laos was established to cooperate with the relevant ministries in collaboration with ASEAN: MoFA, which is in charge of IAI, MPI, which oversees the development projects, and JICA. As for the cooperation with ASEAN, collaboration between each relevant ministry and ASEAN sector department was established in order to respond flexibly to the sector

Indicator	Actual / Achievement
	development issues in ASEAN. JICA carried out budgetary measures for the project implementation, coordination among Lao government agencies, raising issues and promoting the solution of challenges to the ASEAN Secretariat and its IAI units, and established the function of overall adjustment of the Lao Government, ASEAN Secretariat and JICA.
Actions for target sectors described in roadmap for an ASEAN Community 2009-2015 (agriculture, environment and tourism) are implemented in Lao PDR	<p>Agriculture Component: The component succeeded in introducing and formulating the foundation of GAP, and the farmers' groups in the three pilot sites acquired the GAP certification. Meanwhile, the dissemination of GAP in the country was limited. As for dissemination activities, workshops for introducing GAP to local administrations and university officials were carried out in 3 provinces, and trainings were given to GAP firm advisors. However, such activities did not progress to obtaining GAP certification in those areas by the time of project completion, as the project did not involve specific support for the farmers' groups as it was implemented in the pilot project.</p> <p>Environmental Management Component: The ESC has been a basic policy for urban environment improvement for the relevant ministries in Laos, MoNRE and the Ministry of Public Works and Transport (hereinafter referred to as "MPWT"). In the three pilot cities, solid waste management has improved. However, specific efforts were not made by the time of the project completion in those cities where representatives participated in the workshop for the dissemination of ESC guidelines and support for the formulation of ESC vision etc. was provided¹⁹.</p> <p>Tourism Component: In the three pilot provinces, several target villages were selected and support for CBT was provided. As for dissemination activities, seminars were held and the CBT handbook etc. were shared in a total of 6 provinces. However, no specific progress was made in those targeted areas by the time of the project completion.</p>

In light of the above, the tripartite cooperation mechanism was established and functioned in the implementation of the pilot projects of each cooperation component. Meanwhile, the achievement was limited regarding the dissemination of the approaches of each cooperation component in the country. The project is considered to have achieved its purpose at a limited level from the view point of the requirement for the achievement of its overall goal: it is necessary that the approaches of each cooperation component are disseminated in the country and thereby contribute to narrowing the development gap through sustainable development.

¹⁹ After the project completion, Kaysone Phomvihane, one of the three cities where the development of the ESC vision was supported by the project, revised the Provincial regulation for urban environment in 2018. The new regulation specifies the beautification and greening of the city, defines the responsibility of the village head concerning waste disposal, and a fine if the rule is violated. The city is currently working to make the new Provincial regulation known widely.



Photo 2. Plastic bottle recycling at school has been contributed to environmental education for the next generation (Luang Prabang city)



Photo 3. In the CBT pilot village where wood carving was promoted by the project, many tourists visited at the time of the site survey (Champsak Province)

3.2.2 Impact

3.2.2.1 Achievement of Overall Goal

1) Impact of the project as a whole

Regarding the achievement status of the overall goal “The development gap towards ASEAN integration is narrowed and regional integration is promoted,” although the ASEAN Community which consists of the ASEAN Political-Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community was established at the end of 2015, the regional development gap has not been narrowed, and the market integration of ASEAN has not reached the level originally expected. Given these circumstances, the *ASEAN Community Vision 2025* and the *ASEAN Economic Community Blueprint 2016-2025*, which were newly published as the community was established, indicated promotion of market integration with a horizon of 10 years or later in the future. In addition, the reduction of the gap in HDI, which was set as an indicator, is deemed to not be achieved, as the gap between Laos and the six leading ASEAN member countries has not been narrowed.

Table 4 Achievement of Overall Goal

Indicator	Actual / Achievement
The gap in Human Development Index (HDI) between Lao PDR and ASEAN-6 average is reduced	At the time of planning, the HDI of Laos in 2010 was 0.546, and the average of six leading ASEAN member countries was 0.762. The latest HDI (2017) published as of the ex-post evaluation were 0.601 for Laos and 0.789 for the average of six leading ASEAN member countries. The gap has fluctuated by 0.03 from 0.216 in 2010 to 0.188, almost unchanged. Therefore, it is concluded that the gap has not been narrowed ²⁰ .

²⁰ United Nations Development Programme (UNDP) / URL address: <http://hdr.undp.org/en/content/human-development-index-hdi> (Access: November 2018)

As mentioned above, the overall goal and its indicator have not been achieved. Meanwhile, these targets were set high to be achieved three years after the project completion. Further, it is considered that many factors are related to achieving these targets, other than the solution of the development issues by the project. In fact, many projects have been conducted with the support of other countries and institutions in addition to the project, which contribute to narrowing the development gap in Laos. Therefore, it should be understood that the overall goal and its indicator are achieved as the result of the combined effects of these projects.

For the above reasons, analysis in this ex-post evaluation was carried out with emphasis on the contribution of the project towards achieving the overall goal through sustainable development by the implementation of each cooperation component, in addition to the indicators set at the time of planning. The status of the effects of each cooperation component is as follows, which was confirmed in the field study.

2) Effects of each cooperation component for the sustainable development

(1) Agriculture Component²¹:

After completion of the project, CASC has continued to support the acquisition of the GAP certification in response to the needs of agricultural producers, mainly who export the agricultural products as follows.

- Banana plantations in the 6 provinces in the Northern part (the GAP certification has been acquired by 14 companies)
- Rice producers in Khammuane province (the GAP certification has been acquired by approximately 360 households of farmers' groups from 17 villages in 3 districts)
- Rice producers in Savannakhet province (2 farmers' groups were given assistance / the GAP certification has not been acquired yet)
- Cabbage in Champasak province (the GAP certification has been acquired by 15 households of a farmers' group)

CASC plans to provide training in response to requests to Xayabouri province (vegetables, rice and maize), Vientiane province (vegetables), Khammuane province (vegetables), etc. (through the first half of 2019, five trainings have already been planned at the time of the field study in February 2019).

Such support for the GAP certification has contributed to the increase in the production of agricultural products for export by farmers, who have acquired the GAP certification. A rice mill in Savannakhet province traded about 150 tons of GAP rice with farmers in 2017 which was

²¹ Interview with the C/P agencies: MAF, CASC, PAFO in Khammuane Province, Survey of GAP sites: GAP pilot farmers in Vientiane (Capital and Province), GAP disseminated rice farmers in Khammuane Province, Telephone interview: a GAP disseminated cabbage farmer in Champasak Province, a rice mill in Savannakhet Province

exported to Europe. In addition, cabbage farmers in Champasak province export their products to Thailand, and banana plantation companies in the six Northern provinces export their products to China. The acquisition of GAP certification has also led to the increase and stabilization of farmers' income (for example, income of farmers who produce rice for export has increased by 10%²²).

(2) Environmental Management Component²³:

In the three target cities, a waste collection plan was formulated by the project. Based on this plan, a grant aid project “The Project for Improvement of Solid Waste Management in Environmentally Sustainable Cities” (March 2014) was carried out, which provided waste collection facility, collection vehicles, etc. Owing to the synergy with this related project, the volume of waste collected and the waste collection rate have increased continuously still after project completion. As a result, the average waste collection rate of the three target cities has improved significantly from about 47% in 2013 to about 74% in 2018.

Table 5. Comparison of the waste collection rate in the target cities before and after the project (% of population)

(Unit: %)

City	2013	2018	% increase
Vientiane	20.5	79.6	288
Luang Prabang	68.4	76.6	12
Xayabouri	51.4	66.6	30
Average	46.8	74.3	59

Source: Materials provided by C/P agencies

Dissemination of the ESC Guidelines is targeted at cities across the country. After the project completion, workshops have been conducted for all 15 provinces²⁴. In three of these cities (Thakek in Khammuane province, Xam Neua in Houaphan province and Saravan in Saravan province), action plans have been formulated with MoNRE and DoNRE as the center of support, which prioritize issues to be addressed in the urban environment. In these

²² The GAP disseminated farmers in Khammuane province who were interviewed are entering a contract with a rice mill. Under the contract, GAP rice is promised to be purchased at 10% higher than non-GAP rice.

²³ Interview with the C/P agencies: MoNRE, MPWT, Vientiane City Office for Management and Services (hereinafter referred to as “VCOMS”), Urban Development Administration Authority (hereinafter referred to as “UDAA” and the Department of Natural Resources and Environment (hereinafter referred to as “DoNRE”) in Luang Prabang, Xayabouri city UDAA, Survey of ESC sites: Vientiane Capital (Solid waste transfer station, final disposal site, Ministry of Public Health, pilot sites of 3R and primary collection, hospitals, market), Luang Prabang city (final disposal site, pilot sites of 3R and primary collection, schools, hospital), Xayabouri city (final disposal site, pilot sites of 3R and primary collection, market), interview at the ESC disseminated cities (DoNRE in Bang Vieng city, DoNRE in Pakxan city, UDAA in Kaysone Phomvihane city)

²⁴ The workshops were carried out in Vientiane Capital in July 2017 for five central provinces, in Pakxe city in December 2017 for five Southern provinces, in Luang Prabang city in January 2018 for five Northern provinces.

three cities, projects for environmental improvement are planned to be formulated based on the action plans. MoNRE further plans to support the creation of action plans for three cities (Oudomsay in Oudom Xai province, Pak Lai in Xayabouri province, and Attapu in Attapu Province) in the future.

(3) Tourism Component²⁵:

MICT held the third Laos tourism year²⁶ in 2018 as a measure for national tourism promotion. In this event, tourism information materials were utilized including know-how and pamphlets from the second Laos tourism year in 2012, which the project supported in its tourism promotion. In addition, MICT promotes the priority area of the *ASEAN Integration Roadmap* “Strengthening tourism promotion across ASEAN” and the “Policies for making ASEAN a single tourist destination” of the *Tourism Industry Integration Roadmap*. In line with this policy, MICT has linked to the government tourist sites of ASEAN countries and the tourist sites of ASEAN, etc. on its website, in an effort to cooperate among ASEAN member countries.



Source: Laos' official tourism website²⁷

Figure 1. Links with the tourism websites of ASEAN member countries

In the project activities for CBT, seven to eight villages were designated as pilot villages in the three target provinces, respectively. In these project sites, the project supported tourism promotion utilizing the local nature, culture and tradition²⁸. In the filed study of this

²⁵ Interview with the C/P agencies: MICT, Khammuane Provincial Information, Culture and Tourism Department (herein after referred to as “PICTD”), Savannakhet PICTD, Champasak PICTD, Survey of CBT sites: Pilot villages in Khammuane Province (Tham, Phalem), Pilot villages in Savannakhet (Phonh That, Dong Meuang, Donedaeng), Pilot villages in Champasak Province (Nong Bueng, Don Kho, Dong Khor)

²⁶ A tourism promotion leading to an increase in tourists carried out as “Visit Laos Year 2018”, organizing various events focusing on traditional festivals of Laos related to religion (Buddhism), farming cycles etc. The number of foreign tourists to Laos declined to only 3.8 million in 2017 after the peak of 4.6 million in 2015, but it has recovered to 4.1 million in 2018.

²⁷ URL address: <http://tourismlaos.org/index.php> (Access: November 2018)

²⁸ The scale of support such as the input amount varies. About half of the pilot villages were provided small-

ex-post evaluation, about three villages with large scale of support were selected for a site survey from each province. Based on the records kept by, or the observation of, villagers on the change in the number of tourists, it was confirmed that the number of tourists has increased in most of the pilot villages after providing support by the project (the scale of the number of tourists is from 100 to 10,000 per year). However, in terms of the economic benefit, it has not been large for the local residents. Although incomes such as admission fees, accommodation expenses, souvenir sales, etc., are increasing owing to the increase in tourists, the amount is small in general²⁹. In addition, the dissemination of CBT after the project completion remained small. In the current situation, it is difficult to disseminate CBT in other areas: budget for the dissemination of CBT is not secured, and other than the provinces where the projects of JICA and/or ADB are implemented, local administration and residents do not have know-how related to CBT.

Summarizing the effects of each cooperation component as of the ex-post evaluation, GAP of the agriculture component shows widespread production of GAP agricultural products; therefore, the effect of sustainable development is considered to be relatively high. The environmental management component is highly effective for sustainable development in the three pilot project cities. Further efforts are necessary to improve the environment in the ESC guideline disseminated cities. As for the tourism component, the third Visit Year Laos 2018 has had some effects on tourism promotion. On the other hand, the effects of sustainable development by CBT have not been high so far. For the above mentioned reasons, it is considered necessary to improve CBT and its dissemination in the future.

In light of the above, although the HDI gap reduction, the indicator of the overall goal, has not been achieved, through continuation and expansion in the future, the effects of sustainable development through the implementation of each cooperation component are expected to contribute to narrowing regional development gaps in the medium-to-long-term. Therefore, the overall goal is deemed to have been partially achieved.

3.2.2.2 Other Positive and Negative Impacts

Each cooperation component has a positive impact on the natural environment as follows.

- Agriculture Component: According to the C/Ps and farmers implementing GAP, proper use of pesticides and appropriate fertilization in line with GAP leads to reducing the

scale support.

²⁹ Some pilot villages especially of ecotourism have not been able to develop a system to cover the expenditures needed to operate as a tourist site such as a maintenance of facility and disposal of plastic waste with tourism income, as the entrance fee is as low as Laos Kip (LAK) 5,000 (about 70 yen) and the accommodation fee is as low as LAK 15,000 (about 200 yen) etc. (conversion rate used is as of November 2018) (refer to the “Lessons learned” as stated below).

usage of pesticide and chemical fertilizer; therefore, GAP contributes to reducing the negative impact on the environment.

- Environmental Management Component: According to the C/Ps and experts in charge of the component, project activities contribute to reducing the negative impact on the environment through the improvement of waste management and the dissemination of ESC guidelines. The project also contributes to maintaining the registration of the world heritage of the Luang Prabang urban area, along with the synergy with the grant aid project “The Project for Improvement of Solid Waste Management in Environmentally Sustainable Cities.” Improvement of waste management is a socially and economically important issue for Luang Prabang as a world heritage city.
- Tourism Component: According to the C/Ps and the residents in CBT pilot sites, in the pilot sites of CBT including eco-tourism, people are becoming more aware of the importance of protecting the natural environment in promoting tourism. Therefore, the component activities are deemed to contribute to the protection of the natural environment. In addition, in spite of the increase in the number of tourists, no negative environmental impact has been observed in the villages including other CBT pilot sites.

Through the implementation of the project, the approach of each cooperation component was established as a system of the relevant ministries, and efforts were made to disseminate these component approaches to other areas. However, in order for the overall goal to be achieved, these component approaches need to be disseminated in the country and contribute to narrowing the regional development gap through sustainable development. From this point of view, it is concluded that some parts of the project purpose have not been achieved. With regard to the overall goal, the ASEAN Community has been established without achieving many goals. The indicator, narrowing the gap in HDI, is also considered unachieved, as the gap between Laos and the six ASEAN leading member countries has not been reduced. Meanwhile, project effects are expected to contribute to narrowing the regional development gap in the medium-to-long-term through the continuation and expansion of sustainable development by each cooperation component.

In light of the above, this project has achieved its objectives to some extent. Therefore effectiveness and impacts of the project are fair.

3.3 Efficiency (Rating: ②)

3.3.1 Inputs

Table 6 shows the plan and actual of the project inputs. The details of project inputs were unconfirmed at the time of planning.

Table 6. Comparison of the planned and actual of the Inputs

Inputs	Plan	Actual (Completion Year)
(1) Experts	Long-term experts: 3 (Chief advisor, Environment, Green economy/Project coordinator) Short-term experts / Consultants: (Tourism promotion, Safe and secure agricultural products promotion, Environmental management / The number of people was undecided)	Long-term experts: 6 in total (Tripartite cooperation mechanism: 4 in total, Agriculture component: 1, Tourism component: 1) Short-term experts / Consultants: 15 (Tripartite cooperation mechanism: 1, Agriculture component: 3, Environmental management component: 7, Tourism component: 4)
(2) Trainees received	The number of people and details were undecided	Agriculture component: Training in Japan 2 times, Third-country training in Thailand Environmental management component: Training in Japan 2 times, Third-country training in Vietnam, Thailand, Indonesia Tourism component: Training in Japan 2 times, Third-country training in Indonesia, Singapore, Thailand, Malaysia
(3) Equipment	The amount of equipment and details were undecided	Tripartite cooperation mechanism: Office equipment including PC, etc. Car Agriculture component: Development of display farm facility, Farming equipment, etc. Environmental management component: Material and equipment necessary for project activities including garbage bins, improvement of final disposal sites, heavy machinery, etc. Tourism component: Equipment necessary for project activities including video camera, PC, etc.
(4) Others	—	Local activity expenses
Japanese Side Total Project Cost	900 million yen in total	1,244 million yen in total
Laos Side Inputs	1. Allocation of C/Ps 2. Project office and necessary	1. Allocation of C/Ps: 53 2. Project office and necessary

Inputs	Plan	Actual (Completion Year)
	facilities 3. Part of expense for project operation	facilities 3. Expense for project operation and administration
ASEAN Side Inputs	1. Short-term experts 2. Volunteers 3. Acceptance of trainees	1. Short-term experts: 2 2. Lecturers: 2

Source: Materials provided by JICA

3.3.1.1 Elements of Inputs

In this ex-post evaluation, the external evaluator interviewed the C/Ps regarding the contributing/inhibiting factors in the project implementation. Responses from the C/Ps included those to the effect that the relationship between the expert and the C/Ps that both sides should be in closer cooperation so that more discussions were held regarding solutions to problems. With regard to these points, it is considered that the experts should have taken appropriate measures after deepening their awareness of local situations and issues through smooth communication during the implementation of the project (refer to the “Lessons learned” as stated below).

3.3.1.2 Project Cost

The overall project cost exceeded the plan as it was planned at 900 million yen whereas the actual was 1,244 million yen (138% of the plan). The main reasons for the increase in project cost were due to adding the following, which were undecided at the time of planning: the improvement of facilities at the agricultural training center for the agriculture component, the improvement of access roads to the final disposal sites, the construction of human waste septic tank sludge treatment facilities, the installation of incinerators for infectious disease medical waste, and the provision of heavy machinery for the environmental management component, respectively.

3.3.1.3 Project Period

The overall project period was as planned, 5 years and 0 months (100% of the plan). However, the delay in dispatching experts delayed the start of the agriculture and environmental management components. In the case of agriculture component, which had a particularly large delay, there were fewer activities related to the “public relations for and enlightenment of GAP” than originally planned. For this reason, the delay in starting the cooperative components is considered to have partly affected the realization of the project effect.

Although the project period was within the plan, the project cost exceeded the plan. Therefore, efficiency of the project is fair.

3.4 Sustainability (Rating: ③)

3.4.1 Policy and Political Commitment for the Sustainability of Project Effects

1) Policy on the project as a whole

The policy of narrowing the regional development gap has been promoted even after the establishment of the ASEAN Community at the end of 2015. The *ASEAN Community Vision 2025* and the *ASEAN Economic Community Blueprint 2016-2025* indicate the policy of narrowing the regional development gap after the ASEAN Community is established. These policy documents also promote the approaches of the cooperation component of the project (GAP, ESC and CBT). In addition, the *8th National Socio-Economic Development Plan 2016-2020* indicates the policy for narrowing the regional development gap, with the goal of moving away from least developed countries (LDCs) through sustainable development, which is the basic principle of the three cooperation components of the project.

2) Policies on each cooperation component

As for the policy concerning each cooperation component, the approaches of the project components are maintained in the policy of the relevant ministries as of the ex-post evaluation as follows.

- **Agriculture Component:** In the agricultural policy (the *Agriculture and Forestry Sector Five-Year Plan 2016-2020* and the *Agricultural Development Strategy for 2025*), GAP continues to be promoted. In particular, an increase in the export of GAP rice is targeted.
- **Environmental Management Component:** The policy guidelines for achieving both economic growth and urban environment in the *8th National Socio-Economic Development Plan 2016-2020* put more emphasis on the improvement of the urban environment. It sets the target number of the environmentally sustainable cities (ESC)³⁰.
- **Tourism Component:** The regional promotion plan of the *8th National Socio-Economic Development Plan 2016-2020* includes the improvement of various tourism developments including CBT. MICT's policy promotes CBT in addition to the nationwide tourism promotion, especially from the perspective of poverty alleviation in rural areas.

As mentioned above, the policies of ASEAN and Lao government promote narrowing the development gap through sustainable development, and the approaches of each cooperative

³⁰ The *8th National Socio-Economic Development Plan* aims to have at least 10 cities recognized as ESC by 2020.

component (GAP for the agriculture component, ESC for the environmental management component, CBT for the tourism component) are specified and promoted. Therefore, the policy for the sustainability of the project effects is maintained.

3.4.2 Institutional / Organizational Aspect for the Sustainability of Project Effects

1) Institution and organization of the project as a whole

In the implementation of the project, a model of cooperation between JICA and ASEAN with the supported country was developed, consisting of two arrangement functions: the “working framework in Laos” and the “cooperation with ASEAN.” After the project completion, the function of working framework in Laos has been continued in the form of the regular work of MPI: MPI monitors³¹ and supports the efforts of the project components through its review of the implementation of sector plans³² and consideration on the ministries’ public investment programs. Cooperation with ASEAN has been continued through the participation in working group meetings for each project component, and MoFA arranges for participation including budget for travel expense etc. and for reporting the results of meetings. The current state of monitoring and cooperation on each component are as follows.

- Agriculture Component: The progress on promotion and dissemination of GAP has been reviewed by MPI in its consideration on the agriculture sector plan related to food security and commercial production. Budget for GAP-related activities has been secured through these processes. The agenda items of the ASEAN working group meetings³³ for GAP include the reports of GAP activities in the member countries, discussions on GAP standards, sharing the experiences in each country, etc.
- Environmental Management Component: The dissemination of ESC has been reviewed by MPI in its consideration on the planning and implementation of projects for the improvement of urban environment. Budget for ESC-related activities has been secured through these processes. MPI continues to cooperate on the dissemination of ESC since there is a target set on the 8th *National Socio-Economic Development Plan*; MPI participates in the ESC dissemination workshops held in provincial cities. The agenda items of the ASEAN working group meetings for ESC are mainly related to solid waste management, waste water treatment and sewerage improvement as urban environment issues.

³¹ A report for the implementation status of each sector plan is submitted to MPI every six months.

³² The project monitoring ability of MPI has improved as JICA has been carrying out technical cooperation projects to improve the management ability of projects and sector programs with MPI as the executing agency since 2004 (the “Project for Improving Public Investment Management” (planned for 2019 - 2021) is underway at the time of post ex-post evaluation).

³³ The ASEAN Working Group Meetings are held annually, sponsored by each member country.

- **Tourism Component:** Both tourism promotion and CBT have been reviewed by MPI: tourism promotion is reviewed in the process of planning and the implementation of tourism sector plan and projects, and CBT is reviewed in the process of planning and the implementation of ADB's project described below. Budgets for these projects are secured through these processes. The agenda items of the ASEAN working group meetings for tourism promotion and CBT are mainly on the six ASEAN tourism standards (environmentally friendly hotels, traditional food offerings, public restrooms, home stay, ecotourism, and cultural and natural heritage). In addition to the working group meetings, cooperation with ASEAN has been continued through the participation of MICT in the monthly meetings of ASEAN countries on tourism and meetings of ASEAN plus 3.

2) Institution and organization of each cooperation component

The institution and organization of each cooperation component as of the ex-post evaluation are as follows.

(1) Agriculture Component:

- **Institution:** The GAP Road Map has been approved by the Department of Agriculture of MAF. The support for the GAP certification is continued and expanded, in response to the needs of agricultural producers, mainly those who export agricultural products. Therefore, GAP has been established as a system of MAF.
- **Organization:** The support system for the GAP certification is maintained through the implementation of trainings in cooperation with PAFO, DAFO and the Plant Protection Center.

(2) Environmental Management Component:

- **Institution:** MoNRE promotes urban environment improvement in each city based on the concept of "Green, Clean and Beautiful Laos" which is stated in the ESC Guidelines.
- **Organization:** Dissemination of the ESC Guidelines is carried out based on the requests from local governments, centered around MoNRE and in cooperation with MPI, MoFA and MPWT from the central government. Under the support of MoNRE, each city promotes urban environment improvement such as waste management and waste water treatment, beautification and greening of cities, centered around DoNRE and the cooperation of the city government and the provincial department of public works and transport.

(3) Tourism Component:

- **Institution:** MICT established a system of strengthening of tourism promotion throughout ASEAN and thereby tourism promotion is being carried out in cooperation with ASEAN. As for CBT, MICT continues to promote it as its policy; however, the

dissemination of CBT is based only on a project (ADB's similar project "Greater Mekong Sub-region: Sustainable Tourism Development Project" (2009-ongoing (Phase 3)). Therefore, it cannot be said that CBT is established as a system of MICT.

- Organization: MICT and most of the PICTD's C/Ps in the pilot provinces of CBT continue to be engaged in tourism promotion and CBT. In addition, cooperation with travel agencies, hotels, and restaurants is maintained in the tourism promotion.

In the light of the above, the functions of the monitoring and support by the working framework in Laos and the cooperation with ASEAN, that were developed in the implementation of the project, are maintained. The institutional and organizational aspects of each cooperation component are mostly maintained as well.

3.4.3 Technical Aspect for the Sustainability of Project Effects

1) Technical aspects of the project as a whole

As described in "3.4.2 Institutional/Organizational Aspect for the Sustainability of Project Effects," the "working framework in Laos" and the "cooperation with ASEAN," which functioned as a system for implementing the pilot projects, have currently been incorporated in the regular work of the relevant ministries and continued monitoring and support. Therefore, the assessment of technical sustainability was made focusing on the technical aspects of each cooperation component that will impact on the sustainability of the project effects.

2) Technical aspects of each cooperation component

The technical sustainability of each cooperation component as of the ex-post evaluation is as follows.

- (1) Agriculture Component: CASC staff who were the C/Ps of the project continue GAP training and are working to improve the capabilities of PAFO/DAFO GAP Farm Advisors following the GAP Road Map. Therefore, the technical aspect is maintained. CASC consistently supports farmers' groups from production control to documentation for the acquisition of GAP certification.
- (2) Environmental Management Component: Both the central government and the three pilot project cities maintain the skills for urban environmental management in line with the ESC guidelines. The local governments in the three pilot project cities share within each organization and utilize the manuals on the waste collection and management and the operation and maintenance of provided vehicles and equipment. MoNRE and MPWT make efforts to maintain the technology as well, such as providing training to newly assigned staff members by using the manual prepared by the project.

- (3) Tourism Component: In both the central government and the three pilot provinces, the C/Ps maintain the methods of tourism promotion and CBT acquired through the project, through the implementation of the current ADB project. In most CBT pilot sites, skills acquired through the project are maintained as well.

In light of the above, the C/Ps of each cooperation component maintain and use the skills acquired through the project. Therefore, there is no particular problem in terms of the technical sustainability.

3.4.4 Financial Aspect for the Sustainability of Project Effects

1) Financial aspects of the project as a whole

For the reasons described in “3.4.3 Technical Aspect for the Sustainability of Project Effects” above, the assessment of financial sustainability was made focusing on the financial aspects of each cooperation component that will impact on the sustainability of the project effects.

2) Financial aspects of each cooperation component

The financial sustainability of each cooperation component as of the ex-post evaluation is as follows.

- (1) Agriculture Component: As the Lao government promotes food security and commercial agricultural production, the budget for the promotion and dissemination of GAP is allocated to DOA. Support for the acquisition of GAP certification is provided with this budget in response to the needs of farmers’ groups across the country. Therefore, there are considered to be no problems with financial sustainability. It was decided to not include sales promotion of GAP products in the country in the assessment of financial sustainability, based on the observation that the needs and priority for the acquisition of GAP certification are comparatively low at present, while the GAP certifications after the completion of the project have basically been acquired for agricultural products for export.
- (2) Environmental Management Component: In the target cities, a setting of the waste collection fees at a financially sustainable level has been realized through the support by the project on institution building. In addition, the improvement of collection efficiency has made it possible to increase waste collection contracts, through the implementation of the related grant aid project “The Project for Improvement of Solid Waste Management in Environmentally Sustainable Cities” (March 2014). As a result, the operations of waste collection in these cities have basically been covered by the waste collection fees and do not depend on subsidies as of the ex-post evaluation, which is different from the financial

conditions before the implementation of the project and the above-mentioned related projects in which budget allocations from the central and local governments were received as budget for the operation and maintenance of waste management. With regard to the dissemination of ESC, support activities are continued toward achieving the goal of recognition of environmentally sustainable cities. Therefore, there are considered to be no particular problems with the financial sustainability.

- (3) Tourism Component: There are considered to be problems with the financial sustainability of this component as the budget for the dissemination and promotion of CBT is insufficient. The background of this is that the policy priority of CBT is not necessarily high as it cannot be expected to have great economic effects. Instead, CBT is promoted from the viewpoint of poverty alleviation in rural areas. However, the problems of financial aspects are taken into consideration in the evaluation of the effectiveness and impact, as the achievement of the impact of tourism components are hindered by the lack of budget for the dissemination and promotion of CBT. For this reason, it was determined that the financial problems are not reflected in the evaluation of sustainability.

Based on the above, the financial aspect of the sustainability is maintained.

3.4.5 Status of Operation and Maintenance

The status of operation and maintenance of the main facilities and equipment as of the ex-post evaluation is as follows. The status for each cooperative component is maintained in good condition.

- (1) Agriculture Component: Training is conducted in the rainy season at the CASC GAP exhibition farm (because the dry season is a fallow season). It also accepts university students for training. Among the provided facilities, the sheet of the greenhouse was damaged by the 2018 storm, but it is not a major damage and will be repaired soon. Equipment such as tractors are in good condition.
- (2) Environmental Management Component: The operation and maintenance of the waste treatment facility where the improvement work was done and the provided heavy machinery, etc. are properly carried out and good condition is maintained.
- (3) Tourism Component: There is no equipment or facility provided or developed by the project that accounts for a large percentage.

No major problems have been observed in the policy background and the organizational, technical and financial aspects. Therefore, sustainability of the project effects is high.

4. Conclusion, Lessons Learned and Recommendations

4.1 Conclusion

This project was implemented in Laos as a pilot country, as a means of coordination and cooperation between JICA and ASEAN to support new ASEAN member countries as narrowing the regional development gap between the six leading member countries and the four new member countries including Laos has been regarded as the most important issue for the establishment of the ASEAN Community. There were three cooperation components (agriculture, environmental management and tourism) in the project that were implemented from the viewpoint of aiming at sustainable development by making use of the strength of Laos, rich and beautiful natural resources and environment, and in a different way of development from other countries.

This project was highly relevant to the development plan and development needs of Laos, as well as Japan's ODA policy. Therefore, relevance of the project is high. The approach of each cooperative component has been institutionalized by the relevant ministries; however, some parts of the project purpose have not been achieved as dissemination in the country had not progressed before the completion of the project. Regarding the overall goal "the promotion of ASEAN integration," the ASEAN Community has been established without achieving many goals including the reduction of the regional development gap. On the other hand, it is expected that in the medium- to long-term, continuing and expanding sustainable development through each cooperation component of this project will contribute to narrowing the regional development gap. Based on these observations, effectiveness and impacts of the project are fair. Although the project period was within the plan, the project cost exceeded the plan. Therefore, efficiency of the project is fair. The policy background and the organizational, technical, and financial aspects of sustainability have been maintained; therefore, sustainability of the project effects is high.

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

4.2 Recommendations

4.2.1 Recommendations to the Executing Agency and the Relevant Agencies

- Collaboration among the cooperation components: There are mutual relationships among the cooperation components based on the observation during the evaluation study. It is expected that more effects of the project will manifest as described below as the synergies of these components in collaboration with the related ministries and agencies. As for the system of cooperation, establishment of a task force or a committee was suggested at the interviews with the C/Ps.
 - Promotion of GAP agricultural products: One way to promote safety awareness and raise its reputation is to promote the provision of GAP agricultural products

to consumers with high demand. As such, the cooperation with tourism components is considered to be effective when providing GAP vegetables at hotels and restaurants for relatively high consumer health and safety oriented users, including foreign tourists.

- Recommendation of organic waste compost to agricultural producers: Composting of organic waste garbage from the business of hotels, restaurants, etc. has been implemented in Luang Prabang in the environmental management component of the project (defined as “off-site composting” in the project). Since organic fertilizers produced by compost are also suitable for use in GAP, it is considered to be effective that the environmental management components participate in and conduct off-site composting in collaboration with the provision of GAP vegetables etc. in hotels and restaurants as mentioned above.
- Environmental management of the ecotourism sites: Although beautification of tourism sites is one of the important issues especially in ecotourism, villagers have not been able to manage plastic waste properly, which has been increasing in recent years. Even during the site visit, the evaluator often received consultations on this issue. With regard to the waste collection and management in these villages, it is desirable that the tourism component and the environmental management component coordinate with each other and support village residents by establishing a system etc. for this issue.

4.2.2 Recommendations to JICA

None

4.3 Lessons Learned

Environmental Management Component:

- Implementation of 3R pilot project based on related system: In the pilot projects for waste management, 3R activities were conducted as part of the solid waste management under a participatory approach. However, Laos so far is in the process of improving waste collection and disposal, which is considered to be the stage before the establishment of 3R practice. During the site survey of the ex-post evaluation, it was observed that the continuity of 3R was not good, including the composting of general households and the reduction of market plastic bags. According to MoNRE, it can be considered as one of the factors that the pilot project was conducted without the development of the system for 3R. Based on such experiences, MoNRE has been working on the development of the system for 3R and has been formulating rules and technical guidelines for the solid waste management including the contents for 3R as of

the ex-post evaluation. In addition, it plans to develop a national 3R action plan in the near future. Furthermore, it is pointed out from MPWT that in order to promote 3R, the practice of separate collection by the municipal waste management administration is necessary.

In future 3R pilot projects in similar projects concerning waste management, development of the system for 3R should be done in advance as above mentioned efforts of MoNRE, so that the efforts by the residents are further promoted and continued. Furthermore, it should be considered that an improvement of environment for 3R is put into practice, such as the separate collection of waste by the municipal waste management administration and securing of the recycling market.

Tourism Component:

- Support for developing the basis of management as a tourist site: In the pilot villages of CBT ecotourism site surveyed by the external evaluator, it was observed that a mechanism of the operation and maintenance as a tourist site has not been established. That is, necessary expenditures such as maintenance of facilities and disposal of plastic waste shall be covered with tourism income. The insufficient development of the basis of management as a tourist destination is considered a cause of the attractive scenery and comfort not being maintained despite these being important tourism resources. It may also affect the achievement and sustainability of the project effect. According to the interviews with the C/Ps, one of the factors on these issues was that in the implementation of the project, exchange of opinions between the experts and the C/Ps did not extend to the details of some parts of the activities. As a result, support needed for rural villagers on the basic know-how of tourist site management was not sufficiently carried out in the activities of the project through understanding the situation and transferring technical skills.

As a lesson learned by the project, experts should aim for smoother communication with the C/Ps, and try to identify problems based on local circumstances and appropriate measures based on specialized viewpoints through the exchange of opinions with each other. Also in the confirmation of progress by JICA, it is desired to have more opportunities for direct dialogue and consultation with the C/Ps, feedback regarding recognized issues to the project, and other considerations such as ensuring the implementation of activities which take local circumstances into account.

In addition, in similar projects pertaining to CBT in the future, a mechanism of operation and maintenance as a tourist site should be established. This would result in necessary expenditures such as maintenance of facilities and disposal of plastic waste being covered by tourism income.