

USAID/LAOS
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Related document information can be obtained from:
USAID Development Experience Clearinghouse
1611 N. Kent Street, Suite 200
Arlington, VA 22209-2111
Telephone: 703/351-4006 Ext. 106
Fax: 703/351-4039
Email: docorder@dec.cdie.org
Internet: <http://www.dec.org>

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Laos Annual Report

Part III: Performance Narrative

A. Challenges

Laos is one of the poorest and least developed countries in East Asia. In 2001, the World Bank estimated that Laos' 5.6 million people had a per capita income of just \$330. Agriculture remains the economic mainstay, contributing 53% of the Gross Domestic Product (GDP) and employing over 80% of the labor force. Social indicators in Laos, among the worst in the world, are comparable to those of sub-Saharan Africa; e.g. infant mortality in Laos is 93 per 1000 births, compared with an average of 92 in Sub-Saharan Africa. Life expectancy in Laos is under 54 years. One danger is the high-number of unexploded ordinance that litter the land. Considerable clearance efforts were undertaken before USAID SO 439-004 could begin. Unexploded ordinance continues to present a problem in the expansion of the program.

The Government of Laos is one of the few remaining official communist states. The country's economy remains hampered by inadequate infrastructure and deficient health and education services to support its workforce and population. While the government has stated its intention to decentralize control and encourage private enterprise, the transition from a centrally planned and controlled economy to a more market driven one is moving very slowly.

B. Program Performance

439-004: Laos Economic Acceleration Program for the Silk Sector (LEAPSS)

Overall, performance under this SO met expectations in FY 2001. The LEAPSS program is increasing the volume and profitability of existing enterprises and micro-enterprises engaged in the production, processing and marketing of silk. The program supports silk production as an alternative cash crop by strengthening weak and fragmented information dissemination systems, training understaffed agricultural extension services, and training farmers in silk production. The beneficiaries of these activities include approximately 250 farm families from six target districts representing twelve villages. Significantly, this program focuses on the role of both men and women in silk farming. In addition, numerous provincial government officials are also receiving training to build their capacity to support a sericulture industry.

Achievements

Technical and Managerial Capacity: In FY2001, the program reintroduced silk growing to twelve rural villages, trained both government staff and 249 farm families in sericulture, and worked with Lao silk producers and weavers to promote silk. The program provided more than \$10,000 in micro-credit to the participating families to purchase mulberry trees and fencing materials. Almost 100,000 saplings have been distributed and so far 13 hectares of mulberry have been planted. The actual cultivation of new areas is defined by how quickly lands can be cleared of unexploded bombs and mines.

Marketing and Policy Issues: In FY 2001, formal training focused on strengthening the capacity of provincial government project coordinators. These officials play a significant role as liaison officers for the Silk sector project and so are key for the long term sustainability and success of the program. Approximately 20 Lao Government Officials participated in a study tour of silk sector initiatives in Laos and Thailand to identify marketing and policy issues which affect the development of the Lao silk industry at the local and national level. The tour was successful in pointing out the relationships and roles of each player and how the various components work to develop the silk sector in the Thailand DevSilk project. The study tour also helped to convince participants from the provincial government level that the LEAPSS project's organization and strategy is sound.

Information Development: Media centers have been completed in 2 villages to help build capacity for sustainable information development and dissemination that meets the needs of the Laos silk sector. In addition, the project has begun to develop important linkages with other silk sector institutions. While on a study tour, LEAPSS was asked to provide technical recommendations to organizations visited.

Enhanced Role of Women: Discussions with participants resulted in the institutionalization of a gender component into all project activities. The project initially assumed that men played a larger role than women in the cultivation and maintenance of mulberry trees. However, discussions highlighted that women had a better overall understanding of the silk production process, and could provide more detailed plans for preparing to receive mulberry saplings. Women were generally much more cautious and less willing to commit to repayment without some assurance of success. Men were more eager to commit themselves with less consideration of the labor and land resources that would be required in return. Through discussions with both men and women about these issues, it became clear that women had a better understanding of the problem, and should therefore play a decisive role in planning the distribution and planting of mulberry by the project.

439-005: HIV/AIDS

Plans for a new country level HIV/AIDS SO, 439-005, are being formulated. FY 2001 HIV/AIDS activities are reported under SO 498-008, Asia and the Near East Regional HIV/AIDS.