



## Integrated Rural Development in Mountainous Areas of Lao PDR (RDMA)

Poverty levels are high in rural mountainous areas of Lao PDR, where access to basic social services and infrastructure is constricted and where large parts of the ethnically diverse population still rely on subsistence farming.

Alternative ways to raise income through sustainable and diversified agricultural production, natural resource management and value-added processing are still in their infancy. Rapid regional integration (foreign direct investment), which entails potential for but also threats to sustainable development in the rural areas, is the single most important factor influencing development and development cooperation.

Development planning at various administrative levels is not yet sufficiently aligned and effective. Citizen participation in planning is below the desired level and people's potential and needs are not adequately taken into account in decision-making.

The Lao-German programme Integrated Rural Development in Mountainous Areas of Lao PDR (RDMA) currently operates in three provinces: Luang Namtha, Sayaboury and Attapeu. The direct outreach of the programme is to some 300 villages in 10 of the poorest districts in Lao PDR. The overall objective of the programme is the sustainable improvement of the economic and social living conditions of the rural population.

In order to achieve this objective, the RDMA programme, which is currently in its second phase, follows a three-fold approach:

1. facilitating sustainable resource use and local economic development,
2. supporting rural communities through participatory development planning and governance and
3. advising on the use of instruments and findings at the national level.

The RDMA programme supports participatory development planning and land use planning at village and village cluster level. Such community development stimulates self-help and promotes new partnership between the rural poor and government institutions. On district level, Social and Economic Development Plans are being supported by promoting participatory approaches and introducing visualisation tools (mapping). District plans are guide investments and development decisions and are the basis for the formulation of the Five-Years-Plan of the Government of Lao PDR.

On the basis of these planning documents the programme is promoting pro-poor and market-oriented local economic development, which takes into consideration the comparative advantages of the respective locality. Value chains that are being developed include livestock, organic vegetables, coffee, silk, cotton, tourism and non-timber forest products. Private-Public-Partnership and dialogue, contract farming and other instruments are being applied when developing these value chains. Interventions to make foreign direct investment being of high-quality, for instance in the case of rubber, are becoming increasingly relevant.



Such good practices, developed by the RDMA programme and other cooperation programmes in the country are reflected in the Five-Years-Plan (National Socio-Economic Development Plan) and sector strategies, for instance in the Agriculture Development Strategy.

Monitoring data confirms that the programme has produced measurable development results and that the ambitious objective of the programme – a 25% decrease in the percentage of poor household in the programme areas and an annual 5% increase of household income – will be achieved.

The programme is jointly implemented by the Ministry of Planning and Investment and its offices at provincial level, the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH and the German Development Service (DED). In order to facilitate market access and access to social services, the programme approach is closely linked with the Rural Infrastructure Programme (implemented by KfW Entwicklungsbank), which operates in the same provinces and supports infrastructure such as rural access roads and market places. In two of the provinces, the RDMA programme is the provider of technical assistance to the Rural Livelihoods Improvement Project, funded by the International Fund for Agricultural Development (IFAD).

	<b>Time-Frame</b>	<b>Financial Volume (German Contribution)</b>
Total	03/2004 – 12/2014	approximately 25 million EUR
Phase II	10/2008 – 12/2011	6.5 million EUR

  

<b>Target Provinces</b>	
Luang Namtha (since 2004)	IP Consult commissioned by GTZ
Sayaboury (since 2005)	Cooperation with RLIP (IFAD)
Attapeu (since 2008)	Cooperation with RLIP (IFAD)

### Ownership – a factor for success

Sustainability of the achieved development results is a prime objective of the programme. It is therefore fundamental to enable the population to respond adequately to development challenges that will emerge in the future. Government ownership of the programme and strict alignment with government systems in keeping with the objectives of the Vientiane Declaration is at the top of the agenda, so that government institutions acquire the competency to promote sustainable development in the rural areas.

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