

# **Sector Working Group Uplands**

**DRAFT**

## **Poverty, Gender and Ethnicity Issues in the Northern Uplands**

**Report for the Design and Feasibility Study on  
the Core Coherent Programme of the Northern  
Uplands Sustainable Development Programme**

**Vientiane, February 2009**

**Dr. Rita Gebert with inputs from  
Ms. Ny Luangkhot**

## Abbreviations

Full list not included here, as assume there will be a long list at the front of the main report.

ADB	Asian Development Bank
CCP	Core Coherent Programme
CCPR	International Convention on Civic and Political Rights
CEDAW	International Convention on Elimination of all forms of Discrimination Against Women
CERD	International Convention on Elimination of all forms of Racial Discrimination
CESCR	International Covenant on Economic, Social and Cultural Rights
CFSVA	Comprehensive Food Security and Vulnerability Analysis
CRC	Convention on the Rights of the Child
DAFO	District Agriculture and Forestry Office
EC	European Commission
FAO	Food Agriculture Organisation
FeFu	Feeding for the Future
GOL	Government of Lao People's Democratic Republic
HH	Household
HRBA	Human Rights Based Approach
kum ban	Village Cluster or group of villages
LAK	Laotian Kip
LCRDP	Leading Committee for Rural Development and Poverty Reduction
LPRP	Lao People's Revolutionary Party
LWU	Lao Women's Unions
MAF	Ministry of Agriculture and Forestry
NCAW	National Commission on the Advancement of Women
NGPES	National Growth and Poverty Eradication Strategy
NSEDP	National Socio-Economic Development Plan
NNP	National Nutrition Policy
NTFP	Non-Timber Forest Product
NUSDP	Northern Uplands Sustainable Development Programme
PLUP	Participatory Land Use Planning
PPA	Participatory Poverty Analysis
PRF	Poverty Reduction Fund
SDC	Swiss Agency for Development and Cooperation
VDF	Village Development Fund
WFP	World Food Programme

## Table of Contents

	<b>PART ONE: FRAMEWORK CONDITIONS FOR THE NORTHERN UPLANDS SUSTAINABLE DEVELOPMENT PROGRAMME</b>	<b>1</b>
1.1	<b>Introduction to Poverty, Gender and Ethnicity Issues in the Northern Uplands</b>	<b>1</b>
1.2	<b>Policy Framework</b>	<b>1</b>
1.2.1	Poverty Policy Framework	1
1.2.2	Gender and Ethnicity Policy Framework	3
1.3	<b>Major Policies Affecting Livelihoods in the Northern Uplands</b>	<b>4</b>
1.3.1	National Nutrition Policy	5
1.4	<b>Institutional Framework Related to Crosscutting Issues</b>	<b>5</b>
1.4.1	Poverty	5
1.4.2	Gender and Women's Issues	6
1.4.3	Ethnicity	7
1.5	<b>Socio-Economic Framework in the Northern Uplands</b>	<b>9</b>
1.5.1	Attitudes Toward the Non Lao - Tai	9
1.5.2	Who Are the Poor in the Northern Uplands?	9
1.5.3	The Interlinked Causes of Poverty in the Northern Uplands	16
1.6	<b>Donor-Supported Programmes, Projects and Activities</b>	<b>22</b>
	<b>PART TWO: OVERVIEW OF THE PROGRAMME</b>	<b>22</b>
2.1	<b>Strategy Elements</b>	<b>22</b>
2.2	<b>Main Principles Guiding the Implementation of the CCP/NUSDP</b>	<b>24</b>
2.2.1	Additional Principles	25
2.3	<b>Selected Programme Area (from inception report)</b>	<b>--</b>
	<b>PART THREE: DETAILED PROGRAMME DESIGN, MANAGEMENT, IMPACTS AND RISKS</b>	<b>26</b>
3.1	<b>Overview of Programme Design (someone else)</b>	<b>--</b>
3.2	<b>Narrative Description of Programme Components and Objectives</b>	<b>26</b>
3.2.1	Policy Dialogue and Developing a PBA (someone else)	26
3.2.2	Food Security	26
3.2.3	Diversified Agriculture and Marketing (someone else)	--
3.2.4	Sustainable Use of Natural Resources Management (someone else)	--
3.2.5	Capacity Building for Villagers, Their Groups and Networks	28
3.2.6	Local Governance and Integrated Planning (someone else)	--

3.2.7	Programme Management (someone else)	--
<b>3.3</b>	<b>Ensuring Incorporation of Crosscutting Issues in All Components</b>	<b>30</b>
<b>3.4</b>	<b>Expected Impacts</b>	<b>31</b>
3.4.1	Social	31
3.4.2	Economic (someone else)	--
3.4.3	Environmental (someone else)	--
<b>3.5</b>	<b>Risks</b>	<b>31</b>

#### **List of Tables**

Table 1	Comparison of Populations in Selected Poor Districts: 2001 - 2008	12
Table 2	Ethnic Groups by District in Three Northern Provinces	13
Table 3	Houa Muang District: Household Poverty and Ethnicity	14
Table 4	Land Taxes Demanded and Paid in Houa Muang District	19

#### **List of Figures**

Figure 1	Map Showing Maternal Mortality Rates in Lao PDR	8
----------	---	---

#### **List of Boxes**

Box 1	Villagers' Coping Mechanisms: For Better or Worse	16
Box 2	Gender Issues in Mono-Cropping, Resettlement and Land and Forest Allocation	21

# **PART ONE:FRAMEWORK CONDITIONS FOR THE NORTHERN UPLANDS SUSTAINABLE DEVELOPMENT PROGRAMME**

## **1.1 Introduction to Poverty, Gender and Ethnicity Issues in the Northern Uplands**

The Government of Lao PDR (GOL) has explicit policies to reduce poverty throughout the country, and the rates of both urban and rural income poverty appear to be declining since the introduction of the New Economic Mechanism almost 20 years ago. Nonetheless, the poverty rates in the northern uplands remain high: over 40%, or about half of all poor people in Laos.<sup>1</sup> Indeed, a number of studies, including this design and feasibility study, show that while there are families able to make big gains from the advent of commercial agriculture, the poverty of others has become deeper. Chronic child malnutrition rates experienced by the different ethnic groups in the North remain as high in 2008 as they did in 1998. Child malnutrition rates are included among the Millennium Development Goals (MDGs) for Laos. Chronic child malnutrition (stunting) is a powerful proxy indicator for poverty.<sup>2</sup> The highest stunting levels in the country, at 58%, are to be found in the northern highlands<sup>3</sup>: the MDG sets a target of only 20% underweight children by 2015—a target that will certainly not be met. Therefore, there is a serious disconnect between stated policy intentions and their impacts in the northern uplands. Some of the reasons for this disconnect will be explored in the sections that follow in Part One, and it will be shown in Parts Two and Three how the design of the Core Coherent Programme of the Northern Uplands Sustainable Development Programme (CCP/NUSDP) will address some of the major issues.

## **1.2 Policy Framework**

### **1.2.1 Poverty Policy Framework**

GOL has an established policy framework related to poverty, gender and ethnicity. This policy framework is made up of different documents from different sources, including Lao People's Revolutionary Party (LPRP) Congress resolutions and directives, the Constitution, various laws, Prime Minister decrees and instructions, and the Five Year Socio-Economic Development Plans. In essence, major policies and policy directions are set by the five year Party Congresses—the latest one was the Eighth Congress which took place in March 2006. These policy directions are then encompassed in “Elaborated Development Plans” (the current one has 11 programmes and 111 projects), and in various Prime Minister's decrees and ministerial instructions. Policy changes, or affirmations of policy directions will occur in the context of the next Party Congress. During the five years between Congresses, all organs of the State are obliged to implement these policies within the context of their own mandates. Each Ministry is obliged to show that it is closely following, and implementing, the policies as set out by the Party.

GOL is also a state party to various international human rights treaties which require it to fulfil various obligations to its citizens as provided in those treaties. These treaties include CEDAW, CRC, CERD and CESC.<sup>4</sup> These international human rights treaties encompass a

---

<sup>1</sup> World Bank (2008) “Lao PDR: Policy, Market and Transition in the Northern Uplands”, May.

<sup>2</sup> Among others, see S. Setboonsarng (2005) “Child Malnutrition as a Poverty Indicator: An Evaluation in the Context of Different Development Interventions in Indonesia.” ADB Institute Discussion Paper No. 21.

<sup>3</sup> Comprehensive Food Survey and Vulnerability Analysis (CFSVA), 2008.

<sup>4</sup> The international human rights treaties ratified by Lao PDR spelled out in full are Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), International Covenant on Economic, Social and Cultural Rights (CESCR), Convention on the Elimination of All Forms of Racial

broad definition of rights, also including the right to secure livelihood, to food, to health and to education. Of note here, CESCR states that “in no case may a people be deprived of its own means of subsistence”. Nonetheless, Human Rights Based Approaches (HRBAs) are not well-entrenched in the implementation of various policies, and few government officials are aware of the implications of these treaties for their daily work.

The overall policy framework shows the government’s intentions regarding the development of Laos so that it graduates from “Least Developed Country” status by the year 2020 (this goal was set by the 6<sup>th</sup> Party Congress in 1996). There are, however, a number of policies which are somewhat in contradiction with each other in their implementation, and some which are also at odds—in practice—with the stated overall poverty reduction goals of GOL. Generally speaking, there are many assumptions made as to expected poverty reduction impacts of certain policies which are not being borne out by field realities (see discussion on causes of poverty below). One of the most obvious of these is Programme Six of the Elaborated Development Plan. It reads as follows: ***Solve poverty of households and communities, especially stopping slash and burn agriculture for rice cultivation.***

There are seven projects under this programme, the first two of which could have serious negative impacts on people’s livelihoods in the light of the lack of alternatives for rice-based shifting cultivation:<sup>5</sup>

1. Project for permanent occupations, replacing rice-based shifting cultivation in focal areas;
2. Project for allocating permanent living and production locations for solving the “unorganised” migration of ethnic people;

The livelihood typologies of the northern upland areas continue to reflect a reliance on semi-subsistence farming systems with sloping areas under cultivation. Nonetheless, some parts of the North have become significantly involved in cash cropping, and other parts have become heavily involved in industrial tree crops (notably rubber). Thus, any policies or programmes which even indirectly, or unintentionally, affect women’s and men’s access to land, forest and water resources will also have an immediate impact on their livelihoods and livelihood security. Moreover, the implementation of some of the policies and programmes are having differentiated impacts on women and men, too often worsening the situation of women. These will be outlined below.

The main document which serves as a framework for poverty reduction is the National Socio-Economic Development Plan (NSEDP). The current one is valid from 2006 – 2010, and forms the basis for the Vientiane Declaration (arising from the Paris Declaration). A separate National Growth and Poverty Eradication Strategy (NGPES) had also been formulated in 2003 - 2004; its goals and approaches have been fully integrated under the current NSEDP. A key aspect of the NGPES and carried over into the NSEDP is the concept of the “priority poor districts” in Laos: 72 poor districts had been identified based on data from 2001, with 47 of them having been identified as “priority poor.” The targeting of government programmes since the advent of the NGPES has focussed on the priority poor districts, and are evident with the Poverty Reduction Fund (PRF), Village Development Funds (VDFs), and

---

Discrimination (CERD) and the Convention on the Rights of the Child (CRC). It has also signed, but is not yet bound by, the International Covenant on Civil and Political Rights (CCPR).

<sup>5</sup> The other five projects are as follows: 3. Project for improving the administration and use of PRF for reducing community poverty (loan from WB); 4. Project to have supporting funds of government to develop village “banks” for production, and serving the income activity of household to reduce poverty; 6. Project of “special” development in former areas of the revolution; 5. Project to motivate the economic sector and people of all classes to contribute to reduce poverty; 7. Project on surveys and data collection on poverty and establishing consensus on identified poverty criteria;

the more recent establishment of the Policy Bank to provide loans in the 47 poor districts. Of the 47 priority poor districts, 32 are found in the northern provinces.<sup>6</sup>

Although it appears from the Elaborated Development Plan (Project Seven under Programme Six) that there is no agreed upon standard for measuring poverty, Prime Minister's Instruction 10/2001 defined poverty criteria for households, villages and districts. For household level, the definition of poverty relates to income poverty<sup>7</sup> first and foremost in relation to adequate per capita rice consumption determined at 16 kilograms of milled rice per month: a "poor" household additionally does not have adequate disposable income for clothing, permanent housing, schooling, and medical expenditures. At village and district level, the definitions relate much more to the presence or absence of infrastructure, although one of the criteria for a "poor" village is that it has 51% and more poor households, while for a poor district it is 51% and more poor villages. Nonetheless, the overall MDG Goal on Poverty is to reduce the poverty headcount to less than 24%, and the poverty gap to 6%.<sup>8</sup>

A study of the various GOL policy pronouncements and related documents show that for the most part there is an assumption that *all* development or growth strategies are automatically going to reduce poverty in the country. Beyond the intensified targeting of government programmes in the 47 priority poor districts, there is little conceptual clarity on "pro-poor" growth or policies. On the contrary, there is rather a high level of determinism which is not tempered by adequate feedback or monitoring procedures. Considering the lack of change in some of the main policy directions over the past 15 to 20 years, one would also have to conclude that there is surprisingly little by way of iterative processes which affect policy decision-making. All in all, the policies related to the northern (and southern) uplands are quite restrictive vis-à-vis upland non Lao-Tai populations in both intent and practice, rather than aimed towards more facilitative approaches. There are also inconsistencies between the NSEDP, the Elaborated Development Plan and other policies and laws impacting northern upland populations (see further discussion under 1.3 below).

### 1.2.2 Gender and Ethnicity Policy Framework

Both gender equality and the equality of all ethnic groups living in Lao PDR are recognised in the Constitution, and in several related laws. As mentioned above, GOL has ratified CEDAW and CERD. Constitutionally, Laos is recognised as a multi-ethnic society and the Census recognises 49 different ethnic groups belonging to four larger ethno-linguistic groups: Sino – Tibetan, Austro – Asiatic, Hmong – Lumien, and Lao – Tai.<sup>9</sup> Ethnic groups belonging to all four of these ethno-linguistic groups are found in the northern uplands. Indeed, the non-Lao groups, seen together, are most often the majority population in the northern districts as, overall they make up about two-thirds of the northern uplands population.<sup>10</sup> Otherwise, the Law on the Development and Protection of Women was promulgated in November 2004, and among others provides women and children with protection against domestic violence and trafficking. It also enshrines the equal rights of women to land and other property, and their rights to equal pay for equal work.

<sup>6</sup> It should be noted, however, that there have been some minor changes in the designation of "priority poor" districts: for example, Paek District in Xieng Khouang is no longer considered a poor district, and neither is Xieng Khor in Houaphan.

<sup>7</sup> Determined to be LAK 82,000 per capita in rural areas (2001 prices).

<sup>8</sup> The Poverty Gap Index measures the depth of poverty in a country or region, based on the aggregate poverty deficit of the poor relative to the poverty line.

<sup>9</sup> GOL does not accept the use of the phrase, "ethnic minority" in reference to the many ethnic groups living in Lao PDR; therefore, the term, perhaps a little awkward, "non Lao-Tai" is adopted here in reference to the majority of ethnic groups living in the northern uplands.

<sup>10</sup> World Bank (2008) *ibid*.

The principle of gender equality is also included in the NSEDP, as is the principle of “positive discrimination” for ethnic groups to increase their access, for example, to education services (see for example, NSEDP D. Education, p.144). The NGPES, and NSEDP, make explicit mention of a gender strategy with the recognition that *Lao women play critical roles in agriculture and other economic activities, and are primarily responsible for maintaining their families’ food security and health. The Government recognises that it will not be able to realise the goals of reducing poverty and improving national education, health and population indicators without the active participation of all women, particularly poor and ethnic minority women* (NGPES, p. 113 and NSEDP, p. 107). Although it is included under the NSEDP “Gender Strategy,” it is explicitly mentioned that there should be an improved “gender **and** ethnic balance of [government] staff at all levels.” (NSEDP, p. 108)

### 1.3 Major Policies Affecting Livelihoods in the Northern Uplands

There are numerous policies, decrees, laws and policy instruments, including achievement targets, which all have an effect on the livelihoods of the different ethnic groups living in the northern uplands and throughout the country. Primary among these are the following:

- Politburo Central Committee Instruction 09, 2004 on Kumban and Focal Site Development (Kumban Phattana), elaborated by PMO 13, 2008.
- Land and Forest Allocation Programme carried out starting in 1993
- Eradication of Opium Poppy Cultivation by 2005
- Eradication of Shifting Cultivation by 2010
- Local Administration Law, 2003
- Amended Land Law, 2003
- Forestry Law, 2007
- Tax Laws, especially for land

In addition to these major policies, recent Party Congresses (7<sup>th</sup> and 8<sup>th</sup>) have stressed the modernisation of agriculture, and the need to produce marketable surpluses. The Elaborated Development Plan, mentioned above, arising after the 8<sup>th</sup> Congress, in turn, has led to the second of the Ministry of Agriculture and Forestry’s (MAF) four major goals: the Commercialisation (or Commoditisation) of Agriculture.<sup>11</sup> The rapid promotion of agricultural commercialisation has partly created a “monster” in the northern uplands with farming households clearing more land than ever before in order to plant maize (creating more forest and environmental degradation). With more family labour then allocated to the maize fields, people have turned away from their diversified systems too quickly. They have put their own subsistence at risk with this practice, as they had not anticipated the likely bust in agricultural commodity markets (officials had painted over-rosy pictures). This over-promotion of mono-cropping is clearly unsuitable for the low input, small holder livelihood systems which still prevail in the North.

The implementation of these policies and decrees in the districts of the North are often in contradiction with the actual living conditions of the different ethnic groups, so that while a minority of farming households have been able to benefit handsomely from the new socio-economic conditions prevailing in the North, a larger number have become increasingly vulnerable to poverty, or have actually become poorer during the last five to ten years. The observations from the field show that without changes in the restrictive policies impacting on the non Lao-Tai ethnic groups of the northern uplands, there is rather little which can be done to have a broad-based positive impact on their livelihoods, and particularly on the livelihoods of women and other vulnerable persons. A large part of this relates to the

---

<sup>11</sup> The other three goals are as follows: Food Production/Security; Eradication of Shifting Cultivation; and Sustainable Forest Management.

restrictive nature of these policies, and their “broadcast” way of being implemented regardless of differences in household, village, agro-economic or topographic conditions.

It is easily arguable that the negative impacts of the policies which restrict people’s traditional livelihoods are outweighing the potentially positive socio-economic impacts of the rapid changes occurring as the result of market and other forces.

### 1.3.1 National Nutrition Policy

The National Nutrition Policy (NNP), signed as an official document by the Prime Minister in December 2008<sup>12</sup>, is one of the few policy instruments which does not take a restrictive view of ethnic groups in upland areas. Instead, it recognises the severe problems which they have in maintaining or improving their overall nutritional status, and implicitly recognises that their Right to Adequate Food as enshrined in the CESC (ratified by GOL in December 2007) is not adequately paid attention to in Lao PDR. The NNP is to “serve as a reference for establishing action plans for nutrition and to **mitigate adverse impacts on nutrition, especially among Non Lao-Tai ethnic groups**. The NNP goes on to say “investments in agro-based industries, hydropower, and mining sectors present economic development potential. **However, uncontrolled development in these sectors present an increasing risk to food security as people’s access to natural resources and environmental sustainability is compromised.**” Important principles of the NNP relate to the **empowerment of women and vulnerable groups**, plus “no-harm” which relates **to control adverse impacts on nutrition from other development sectors**.

## 1.4 Institutional Framework Related to Crosscutting Issues

### 1.4.1 Poverty

According to the NSEDP and Elaborated Plan, it is the responsibility of all main ministries to aim toward poverty reduction of the country. At the same time, however, the efforts of the ministries and other governmental agencies have not been well-coordinated for this purpose. The inclusion of all Ministries’ strategies, programmes, plans and measures under the umbrella of a single NSEDP and Elaborated Plan, or under provincial and district development plans does not automatically predispose these Ministries and their offices at district or provincial levels to work together in a coordinated or integrated way. In fact, there is qualitative evidence to suggest that local offices have little by way of active cooperation with one another unless there is an urgent or important task set for them by the District Governor’s office. Occasionally, the presence of a donor-supported programme or project also brings the different offices together for joint planning, implementation or monitoring exercises (depending on the type of project).

Institutionally, there is one body which is specifically mandated for poverty reduction and/or rural development. This is the Leading Committee (also called “Board”) for Rural Development and Poverty Eradication (the Lao word used is eradication; it generally is translated as Reduction or Alleviation) (LCRDP). The Leading Committee was recently established by way of a Prime Minister’s decree (060) in January 2007. It has a structure at both provincial and district levels, and seems to have a stronger presence in the priority poor districts mentioned above.<sup>13</sup> While the mandate of the national level Committee has

<sup>12</sup> PM Decree on the National Nutrition Policy, 248/PM, signed on 1 December, 2008.

<sup>13</sup> At provincial and district levels, at least in Xieng Khouang, Luang Prabang and Houaphan, the Leading Committee is Called the Grassroots (Political) Strengthening and Integrated Rural Development Office.

some clarity on paper, there is rather little clarity of mandate at the provincial and district levels. In fact, there seems to be some overlapping between the “Grassroots” offices and the Departments of Planning and Investment (DPI), and in some cases DPI staff have been shifted to work with the newly established Grassroots offices (even more recently established than the Leading Board). District staff of the Grassroots offices seem to be around three, which would be the same as a DPI. Despite the weaknesses noted in the structure and functioning of the LBRP, including its offices below national level, it is the only body in Laos to be mandated with the coordination of rural development and poverty reduction efforts.

Issues of poverty were discussed with all institutional representatives met by the Design and Feasibility Team. The Team’s many discussions at all different levels showed beyond doubt that **government interlocutors at various levels have too little understanding of what poverty is**, neither in its multi-dimensionality, nor in its causes. While many government staff, from district to national level, are able to recite the government criteria for poverty as laid down in Prime Minister’s Decree 010, they have never been enabled to analyse why certain households should be experiencing greater income poverty than others.

In fact, there is a greater tendency for officials to look at “village” or “district” poverty as it is measured largely in terms of infrastructure such as roads, schools, health centres, water supplies and the like. A large programme like the PRF has served to further strengthen this misconception of poverty, as its significant funding levels are mostly used to construct small-scale infrastructure. It is unfortunate, therefore, that the PRF has been named in this way in that the presence or absence of small-scale infrastructure for poor households may have no impact on their poverty levels. Whether infrastructure would (indirectly) impact household poverty depends on the interaction of many factors. Most government officials seem to believe that the presence of infrastructure will automatically lead to a reduced prevalence of poverty.

#### 1.4.2 Gender and Women’s Issues

The Lao Women’s Union (LWU) is a mass organisation with a structure reaching down to the villages of Lao PDR. Not only does the LWU have its own dedicated offices from the national down to the district level, it also has LWU representatives within all Ministries. While the LWU’s outreach is indeed, very broad, its real influence or impact on the livelihoods and rights of women, particularly of poorer, non Lao-Tai women, is fairly circumscribed, in that it primarily sees its function in mobilising women to implement Party policies at the grassroots level. These include, for example, such programmes as the “Three Goods.” The organisation has very limited budget (one of the provincial LWU Directors informed the Team that her entire annual budget came to some LAK 160 million), but does tend to get regular donor support because of its mandate in relation to women and children. While the Women’s Union should automatically be brought in to coordinate with line agencies or ministries, this seldom happens in the absence of special budgetary support from external donors.

One of the better known LWU programmes relates to the provision of micro-credit to women’s and mixed groups in villages. Where donor-, including INGO-, supported projects provide seed money for capital such savings and credit groups have been established. The Thai government-organised institution, Community Organisation Development Institute under the Ministry of Social Welfare, has been providing funds and technical assistance to the LWU since 2002. Apparently, there are some 400 savings and credit groups which have been set up as a result. More savings and credit (or only credit) groups have been established under the auspices of the LWU (several, for example, with seed money from the PRF), but because of the weak monitoring and evaluation of such programmes, it is not known what kind of impact they are having on rural women’s, or rural families’, livelihoods.

Indeed, the LWU was even unable to provide any gender disaggregated information on the 400 savings and credit groups mentioned above.

The National Committee for the Advancement of Women (NCAW), potentially an important body in Laos as it reports to the Prime Minister's Office, has a weak structure in the country, and little capacity (few resources at its disposal) to implement any programmes. While NCAW should be tasked with ensuring that Laos fulfils its obligations under CEDAW, its actual role remains weak. Different ministries, including MAF, have established CAWs (Sub-CAWs), but they don't appear to have any independent activities besides reporting. A decided weakness of the Sub-CAWs under the aegis of MAF, for example, is that at provincial level all the Sub-CAWs are officially headed by the Deputy Heads of PAFO, always men.

All in all, gender issues in Lao PDR—despite various efforts—have been inadequately mainstreamed, and women and girls lag behind men regarding several key development indicators including literacy. Literacy rates of non Lao – Tai women are really low: For Lolo, Akha and Lahu women it is not even 5%! (Census 2005, p. 73). The 2005 Census data also indicate very high maternal mortality rates in certain districts: 14 of 17 districts with maternal mortality rates over 800/100,000 are in the North (See Figure One). Although women perform as much, or more, of the different agricultural operations than men, they are ineffectively reached by the agricultural extension system. Few extension staff are women, and with the reluctance and/or shyness of non Lao-Tai women to join meetings where Lao is spoken, they seldom receive direct information from government extension services, or other sectors. Such issues are not being taken up by NCAW.

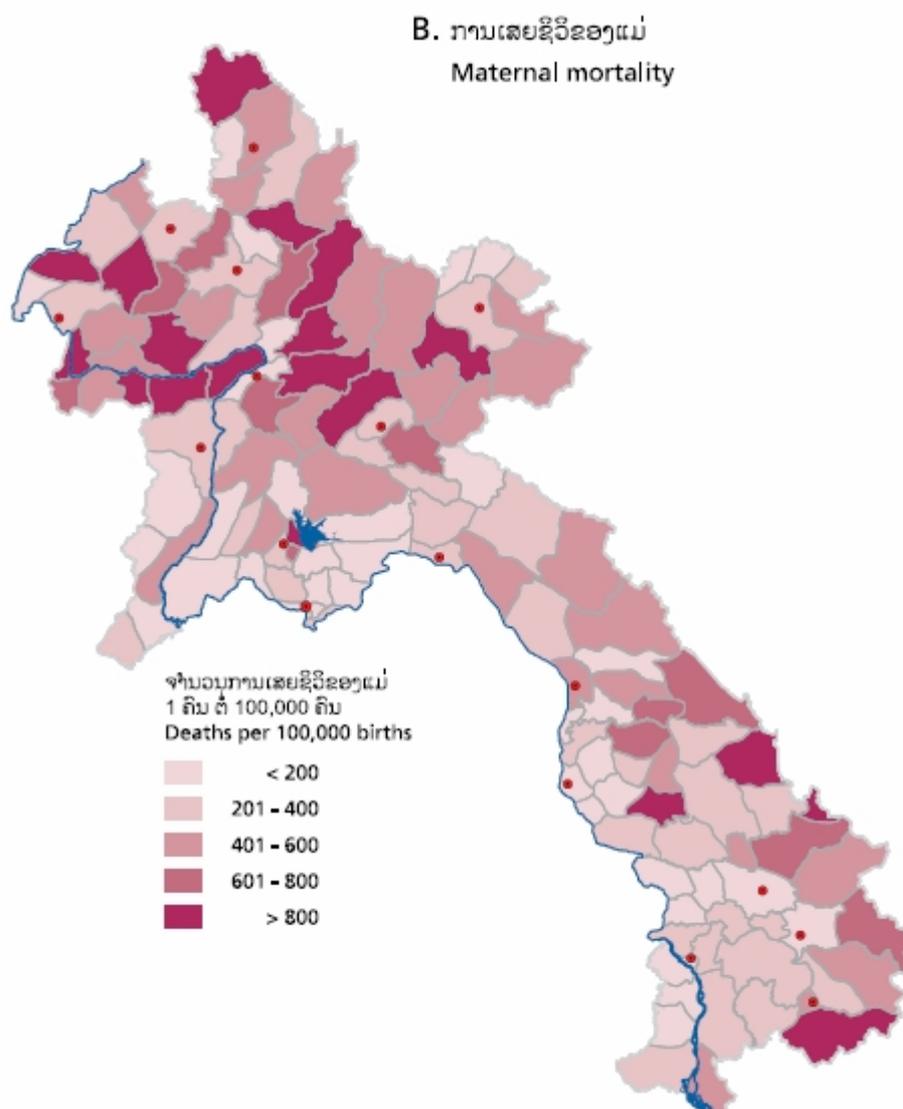
The worsening socio-economic situation for some non Lao-Tai women (see Box 2) in the context of resettlement or village merging, the promotion of mono-cropping and the loss of biodiversity, and in terms of their economic and socio-cultural rights has yet to be adequately addressed either by the LWU or by NCAW.

### 1.4.3 Ethnicity

The only institution in Lao PDR directly charged by the Party and Government with taking care of ethnicity-related matters is the mass organisation, the Lao Front for National Construction (LFNC). It is mandated with fostering unity among the many different ethnic groups in Laos, but doesn't appear to have much presence in terms of poverty reduction and rural development activities because of its lack of resources.

The LFNC has played an important role, however, in classifying the ethnic groups in Laos. It recognises 49 ethnic groups and 160 sub-groups broken into four main ethno-linguistic categories, as already shown above.

Figure One: Map Showing Maternal Mortality Rates in Lao PDR



Map copied from the *Socio-Economic Atlas of the Lao PDR (2008)*.

The map above shows the 14 northern districts where Maternal Mortality Rates have remained at a shockingly high 800+/100,000, while another six are in the 601 – 800 range: by far, the worst in the country (the MDG 2015 is for 185/100,000). For comparison's sake, a rate of over 800 is one of the highest in the world (900 recorded in some sub-Saharan countries).

The 14 districts are as follows:

Sayaboury Province: Hongsa and Ngeun

Bokeo Province: Meung and Paktha

Luang Namtha Province: Vieng Phoukha

Luang Prabang Province: Ngoi, Pak Xeng, Phonxay, Chomphet

Oudomxay: Houn

Phongsaly Province: Nhot Ou, Khoua

Houaphan Province: Houa Muang

Xieng Khouang Province: Phoukoud

## 1.5 Socio-Economic Framework in the Northern Uplands

### 1.5.1 Attitudes Toward the Non Lao - Tai

The northern uplands are characterised by diversity, whether it be social, agro-economic or ecological. While this socio-cultural diversity—and the different indigenous knowledge systems this generates—should be seen as a strength of the North, it is very often condemned as a weakness. The non Lao-Tai ethnic groups are seen as “lazy,” “backward,” “undeveloped,” “uneducated,” “conservative” “environmentally destructive” and, to a large extent, responsible for their own poverty because of the various traits just listed above. These are the attitudes which the Study Team has frequently heard. In the course of the many discussions which the Study Team held with government officials at different levels, there was almost no acknowledgement or description of positive attributes or features of the non Lao-Tai ethnic groups. No one mentioned they are hardworking, or that they have developed remarkable skills to ensure their livelihoods under harsh conditions, or that they have traditional socio-economic concepts and mechanisms which assure overall community subsistence, or that any of their livelihood practices, including their methods of land and natural resource management, may actually help to conserve both agricultural and natural biodiversity.

The openly, or implicitly, negative attitudes of predominantly Lao-Tai officials towards the non Lao-Tai forms part of the explanation as to how various policies are implemented in the northern districts. There are certainly many misconceptions regarding the behaviours, beliefs and livelihood strategies of the non Lao-Tai ethnic groups which are, in part, shaping the policies directed at them, including relocation/merging and the eradication of shifting cultivation. Moreover, because there is so little trust in people’s “local wisdom,” there is a strong tendency on the part of local officials toward trying to manage and control (micro-manage) too many aspects of kum ban or district development. This micro-management approach is either intentionally, or inadvertently, creating a situation of greater dependence of the non Lao-Tai ethnic groups on local/district authorities. This is evidenced, for example, by the procedures required for subsidised loans from the Policy Bank; a borrower needs to go through so many steps controlled by government offices, that it is abundantly clear that the loan approval is based on district sanctioning of a certain type of “productive activity.” That is, the district, or higher level, decides in the first instance what activities villagers can get loans for, thus attempting to control their “commercial” activity.<sup>14</sup>

### 1.5.2 Who Are the Poor in the Northern Uplands?

Among the many misconceptions about the populations living in the northern uplands is that their livelihood approaches necessarily make them “poor.” While the upland farming-forest livelihood systems developed by the different ethnic groups have generally not been geared to creating large surpluses—putting them into the category of semi-subsistence livelihoods—they have allowed a majority of people to have their subsistence needs met, and to create small surpluses.<sup>15</sup> The traditional northern uplands system had been based on several

<sup>14</sup> This is abundantly clear in Luang Prabang, where the Policy Bank was ordered from the Central level to make loans available only for sticklac production, and that too, not necessarily in the priority poor districts (the mandated target area of the Policy Bank). Because of the cumbersome procedures, however, which meant the arrival of loan money too late to plant the pigeon pea bushes required for the sticklac many farmers “beat the system” by using the loan money to purchase livestock.

<sup>15</sup> Among Sino-Tibetan and Hmong-Mien groups for example, the surpluses generated by their traditional system were always observable in silver coins, jewellery and other decorative items. Surplus was also observable in terms of the number of large livestock. Therefore, it is inaccurate to think of them as “subsistence” farmers.

pillars which included the upland plots for rice/vegetable and some maize cultivation (upland rice is always intercropped with other food crops), opium poppy cultivation (before 2005), use of the forest (for timber, for animals, for NTFPs, including many different forest foods), domestic livestock (extensive raising methods), rivers and streams (for fish, aquatic animals, other edible products), and to a very minor extent paddy cultivation. A study done in Muang Sing (Luang Namtha) in 1995 showed that many upland farming households were involved in trading networks for opium, livestock and rice.<sup>16</sup>

As noted by many observers,<sup>17</sup> the northern uplands are undergoing a rapid transition from the semi-subsistence livelihood systems described briefly above to many variations on commercialised agriculture systems. Although there is a continuum from ongoing semi-subsistence systems to more commercialised systems, there are few upland farmers who have willingly given up producing for household consumption. Those who have made this choice in maize growing areas this past season were faced with a rude shock when the prices of maize dropped by a factor of over three. Moreover, district-created monopsonies do not allow the producers' any choice in to whom they sell their products. (see further discussion in Chapter X). Therefore, those farming families who have chosen to become more involved in commercial agriculture are not necessarily the "new rich" of the uplands. Indeed, it may be possible to think of them as the "new vulnerable."

The vulnerability of upland households to price, environmental, weather or other shocks such as those caused by resettlement is reflected in the child malnutrition statistics made available by the Comprehensive Food Security and Vulnerability Analysis (CFSVA) (2008). This study concludes (p. 9) that every second child in Lao PDR is chronically malnourished (stunted), and that this has *not* improved over a period of ten years (p. 9). The other important point here in the context of the northern uplands is that ***no improvement in child nutrition levels is noticed with moves to roadsides for villages that were previously located in areas with no road access*** (pp. 14 and 99). In fact, the CFSVA notes the following: "*When looking at access to roads, children living in areas with poor road access tend to have lower presence of malnutrition (underweight, stunting and wasting), although these differences are not significant.*"

This means two things: first, the dislocation caused by resettling or merging villagers is not being mitigated by proximity to government services or markets; second, since chronic child malnutrition is a strong proxy indicator for poverty, then *ipso facto* upland poverty has not actually improved over the past ten years despite far rosier statistics for reductions in income poverty for Laos as a whole. What is also extremely important to realise is that the extreme stunting levels noted by the CFSVA are ***not*** primarily caused by lack of starchy foods (rice, maize, tubers) in the diet; rather it is the lack of oils, protein and micro-nutrients (found in fruit and vegetables but which cannot be absorbed in the absence of oil) which is the main cause of the problem. Therefore, solutions to "food poverty" based on increasing rice production will not have much positive impact on the situation.<sup>18</sup>

These data make for extremely sobering reading, especially when one considers that the worst rates of stunting are found in the northern uplands (58%) (CFSVA, p.99). When one looks at the stunting statistics broken down by ethnic group one sees that overall, the Sino-Tibetans (only found in the North, particularly in Phongsaly and Luang Namtha) suffer from a rate of 62%, while the Austro-Asiatic (represented largely by the Khmu in the North) groups

<sup>16</sup> Gebert et al (1995) "Baseline Survey for the GTZ-Supported Food Security Programme in Muang Sing."

<sup>17</sup> The latest World Bank (2008) offering, cited above, makes this plain, as does the Diagnostic Study.

<sup>18</sup> See FAO, "Rice is Not Enough!" A recently produced flyer on nutrition, and calling attention to the severe problem of lack of all other foods *besides* rice/starchy food.

have a rate of 56% and the Hmong-lumien (only found in the North), 54%. By comparison, the national rate for the Lao-Tai is 42%. These data confirm our, and others', observations that **the face of poverty is that of the non Lao-Tai ethnic groups, and particularly their women and children.**

***The seriousness of stunting in terms of its long term impacts cannot be overstated.***

Stunting of small children (starting before the age of two) has negative, and even severely negative, impacts on their cognitive development and functioning. Stunting may also result in poor physical development of children, with them being in a weaker physical state for their whole lives. In other words, a generation of currently stunted children are likely to remain in poverty as their physical and cognitive functions also remain impaired. To condemn a child to stunting because of current poverty is to condemn the next generation to poverty as well. The implications for Laos as a nation are also extremely serious: the need for a well-educated workforce able to work in the off-farm sector will not be met if the current generation of children are unable to study and develop well.

In terms of household poverty, the initially identified poor districts which are in the North, have to a certain extent reduced their rates of poverty very dramatically (see Table One). Unfortunately, it cannot be sure to what extent these data are reliable as our findings throughout the North, as mentioned above, showed that the understanding among officials as to what poverty really is, is limited. Of interest, nonetheless, is that the district of Sam Tai in Houaphan Province (also visited by the team) has a larger number of poor households in 2008 (5612) compared to 2001-2002 (5325) (but with a slight decrease in percentage—from 67% to 63%—because of population increase). To take three Luang Prabang districts of Viengkham, Phonxay and Pak Xeng (all priority poor) as examples, they are currently shown as having household poverty rates of 24%, 43% and 23% respectively. The year before, these same three are shown as having 14%, 35% and 56% respectively. In other words, the number of poor households in Viengkham went up from 873 to 1533, in Phonxay they also went up from 1708 to 2100, while in Pak Xeng they are reported to have dropped in a single year from 2193 to 909. In reality such dramatic shifts in poverty are seldom possible even given a household's participation in commercial agriculture (i.e., subject to commodity price swings). Such dramatic data swings are, as mentioned, indicative of the general lack of understanding of what poverty is, possible problems in collecting reliable data according to the given indicators<sup>19</sup> and over-enthusiasm in some cases in meeting targets for reducing household poverty.

Table One below also shows that most districts have reduced their numbers of villages from 2001 to 2008, indicating the ongoing process of merging villages. It may be noted here that in all districts visited by the Study Team, district authorities said they were not finished with merging villages, and most could give targets in this regard. Also of interest in Table One is the overall population increase in the selected districts from 2001 to 2008. The increase from 559,000 up to 608,000 represents an overall increase of around 8.8%. Given the natural population growth rate of around 2.1% in Lao PDR (Census 2005), this means that a significant number of people have migrated away from these districts over the years, as with a natural growth rate of 2.1% per annum, one would have expected a population in 2008 of around 645,000.<sup>20</sup>

---

<sup>19</sup> It is possible that Village Headmen are tasked with reporting on the number of poor households in their villages. They may well be very much overburdened with such a task, and unable to report accurately. Otherwise, they have a certain understanding as to what kind of poverty statistics are desirable to report.

<sup>20</sup> In some districts, boundaries have been redrawn so that they have "lost" villages, but there are no clear data available on this.

Table One: Comparison of Populations in Selected Poor Districts: 2001 - 2008<sup>21</sup>

Province District	2001 Population	2001 Villages	2001 HHs	2001 % Poor HHs	2008 Population	2008 Villages	2008 HHs	2008 % Poor HHs
<b>Luang Prabang</b>								
Phonxay	24396	72	3876	80	30659	63	4884	43
Viengkham	40723	113	6650	79	38760	95	6364	24
Phoukhoun	20678	50	3075	64	19697	41	3036	17
Pak Xeng	25886	87	4353	61	23056	61	3921	23
<b>Houaphan</b>								
Houa Muang	26405	88	3792	87	30251	77	4426	54
Viengthong	24351	80	3684	77	26216	71	4113	60
Xam Tai	53279	180	7992	67	59586	166	8947	63
Viengxay	34920	131	5502	62	34500	110	5752	44
Xieng Khor	25646	66	3861	61	26450	59	4397	18
Aed	26467	78	4007	53	27013	78	4394	26
Sop Bao	25533	75	3894	52	26414	68	4307	40
<b>Phongsaly*</b>								
Samphan	26531	89	4134	80	26761	80	4280	41
Nhot Ou	26419	87	4152	55	nd	79	nd	nd
Khoua	27607	120	4952	41	26436	104	4989	20
Mai	23035	95	1645	40	23566	88	3808	38
<b>Xieng Khouang</b>								
Khoun	30943	90	nd	nd	33490	89	4777	20
Nonghaet	36165	112	5153	55	36753	110	5230	30
Paek	66284	113	11127	31	69787	113	11852	2
Kham	46979	114	6685	15	48859	115	7323	9
<b>Totals</b>	<b>559181**</b>	<b>1840</b>	--	--	<b>608254</b>	<b>1667</b>	--	--

Table Notes: Sam Neua District is not included in the table, but at present it has a higher poverty rate (51%) than Viengxay (44%), making Sam Neua by definition a “poor” district. Either there were mistakes made when gathering data in 2001, or Sam Neua has become poorer over time!

\*Phongsaly data are not for 2008, but rather for 2007.

\*\*This total without Nhot Ou as no comparable data for 2008. Household columns not added up because of missing data.

Sam Tai is now the poorest district in the four provinces shown above in terms of both percentage, and in sheer number of poor households.

Poorer families exist throughout the northern uplands. It is not possible to say that there are villages with “no” poor. Having said that, however, it is clear that there is a difference between the Lao-Tai and non Lao-Tai ethnic groups. Table Two below shows the breakdown of district population according to major ethno-linguistic groups in the three provinces selected for CCP/NUSDP interventions: Luang Prabang, Phongsaly and Houaphan. Taken as a whole, the initially identified priority poor districts do, indeed, have a higher non Lao – Tai percentage than other districts. While the team was unable to collect much by way of precise data relating ethnicity and poverty, Houa Muang officials were able to provide the team with adequate data to make a conclusion about poverty and ethnicity in that district. The Phong (an Austro-Asiatic group) are by far the poorest group. They are overrepresented in terms of percentage of poor households (41.2% although their total share of the population is only 31.4%), and more than two-thirds (71.2%) of their own households are poor.

<sup>21</sup> In provinces visited by the Design and Feasibility Team.

Table Two: Ethnic Groups by District in Three Northern Provinces (2005 Census)

	Major Ethno – Linguistic Groups										
	Lao-Tai		Austro-Asiatic		Sino-Tibetan		Hmong-lumien		Other or No Data		District Totals
	Nr.	%	Nr.	%	Nr.	%	Nr.	%	Nr.	%	
<b>Luang Prabang Province</b>											
<b>Districts</b>											
Luang Prabang	57909	74	11169	14	721	0.9	7749	10	968	1.2	<b>78516</b>
Xieng Ngeun	6871	20	20576	61	43	0.1	5533	16	474	1.4	<b>33497</b>
Nan	13530	52	10173	39	61	0.2	2275	9	169	0.6	<b>26208</b>
Pak Ou	9710	40	8618	36	9	.03	5540	23	168	0.7	<b>24045</b>
Nam Bak	17766	30	31302	52	55	.09	10326	17	345	0.6	<b>59794</b>
Ngoy	9996	25	22646	56	8	.02	7812	19	217	0.5	<b>40679</b>
Pak Xeng	2881	12	19365	83	11	.05	1046	4	121	0.5	<b>23424</b>
Phonxay	2928	10	17331	58	7	.02	8782	30	598	2	<b>29646</b>
Chomphet	11454	40	11704	41	111	0.4	5476	19	142	0.5	<b>28887</b>
Viengkham	8311	21	25523	63	5	.01	6210	15	313	0.8	<b>40362</b>
Phoukhoun	768	4	12978	64	13	.06	6290	31	111	0.6	<b>20160</b>
<b>Provincial Totals</b>	<b>142124</b>	<b>35</b>	<b>191385</b>	<b>47</b>	<b>1044</b>	<b>0.3</b>	<b>67039</b>	<b>17</b>	<b>3616</b>	<b>0.9</b>	<b>405218</b>
<b>Phongsaly Province</b>											
<b>Districts</b>											
Phongsaly	1478	6	683	3	22178	88	724	3	141	0.6	<b>25204</b>
Mai	8003	34	7725	33	6749	29	957	4	162	0.7	<b>23596</b>
Khoua	3992	15	16444	60	6524	23	3	0	231	0.8	<b>27194</b>
Samphan	1339	5	9361	34	13966	51	2233	8	178	0.7	<b>27077</b>
Boun Neua	3390	18	564	3	14176	75	652	3	160	0.8	<b>18942</b>
Nhot Ou	9747	35	49	0.2	12093	44	5295	19	222	0.8	<b>27406</b>
Boun Tai	3207	19	1851	11	10599	64	738	4	124	0.8	<b>16519</b>
<b>Provincial Totals</b>	<b>31156</b>	<b>19</b>	<b>36677</b>	<b>22</b>	<b>86285</b>	<b>52</b>	<b>10602</b>	<b>6</b>	<b>1218</b>	<b>0.7</b>	<b>165938</b>
<b>Houaphan Province:</b>											
<b>Districts</b>											
Sam Neua	29683	54	8585	16	61	.1	15303	28	785	1.4	<b>54417</b>
Xieng Khor	16030	60	5851	22	7	0	4776	18	151	0.5	<b>26815</b>
Viengthong	12642	50	7657	30	5	0	5180	20	189	0.7	<b>25673</b>
Viengxay	26237	73	3247	9	36	.1	5924	17	297	0.8	<b>35741</b>
Houa Muang	5675	20	16930	60	12	0	5241	19	262	0.9	<b>28120</b>
Sam Tai	29656	52	2938	5	20	0	23828	42	416	0.7	<b>56858</b>
Sop Bao	18085	68	1113	4	7	0	7008	27	222	0.8	<b>26435</b>
Aed	18329	68	4374	16	7	0	3985	15	228	0.8	<b>26923</b>
<b>Provincial Totals</b>	<b>156337</b>	<b>56</b>	<b>50695</b>	<b>18</b>	<b>155</b>	<b>.1</b>	<b>71245</b>	<b>25</b>	<b>2550</b>	<b>0.9</b>	<b>280982</b>

Table Notes/Explanations: Shaded districts are originally designated "Priority Poor."

Luang Prabang's 4 poor districts have about 13% Lao – Tai (much less than the provincial 35%). For Phongsaly, it is 20% Lao – Tai in the 2 districts (same as province), but senior officials say Nhot Ou is no longer poor (the district with highest % Lao-Tai). Houaphan has the highest Lao – Tai population of the three provinces; in the poor districts, the % Lao – Tai is 52% compared to 56% for the province. But Xieng Khor with its current rate of 18.4% HH poverty no longer warrants its "poor" label. The table on the next page shows that ethnicity and poverty must be analysed carefully within districts.

Table Three: Houa Muang District: Household Poverty and Ethnicity

Ethno-Linguistic Group	Total HHs	% of Ethnic Group to Total HHs	Poor Households		
			Number	% Poor Within Same Ethnic Group	% Poor Compared to Total Poor HHs in District
Lao – Tai	1007	23.3	348	34.5	14.8
Hmong	743	17.2	393	52.9	16.7
Khmu	1252	28.9	639	51.0	27.2
Phong	1360	31.4	968	71.2	41.2
Total	4326	100	2348	--	100

Table Notes: Data provided by Houa Muang District DPI; the actual total number of households is 4426, but there were no data available on the ethnicity of 64 households (accounting for 32 poor households).

It is also clear from observation, although we had not the means to measure it quantitatively, that the depth of poverty varies from village to village in the same district, and even from household to household within the same village. Therefore, there are few generalisations one can make about “the poor.” The poor themselves, and others in the villages have identified several indicators to describe their poverty. To this, we can certainly add that, as mentioned already, the “poor” in the northern uplands are more likely than not to be non Lao-Tai. Other locally identified indicators are as follows:

- A household with unfavourable labour to dependents ratios (meaning, for example, a family with a larger number of young children, no adult male in the household, elderly, with chronically ill household members);
- A household which has too little land for cultivation (making labour unproductive);
- A household with no livestock;
- A household with no investment capital;
- A household with severe rice shortages (nine months and more) because of a succession of shocks (sudden death in the family, bad weather, pest attacks, major drop in crop prices, no buyers for NTFPs);
- A household with an opium addict.<sup>22</sup>

Unfortunately, the Team came across many such families with some or all of the characteristics mentioned above. We also note, as observers of the northern uplands over many years, an increasing wealth gap within the same villages. These gaps are most noticeable in villages with “better” road and market access; generally, in those which have been resettled in the past 10 to 15 years.<sup>23</sup> At least one economics research paper has also noted increasing inequity in Lao economic growth over the past few years.<sup>24</sup>

<sup>22</sup> Opium poppy cultivation has drastically reduced in Laos since its banning in 2005; nonetheless, there continue to be addicts, and their demand for opium still creates a small supply. That supply is so small, however, that the prices are extremely high (personal communication, Houaphan Province).

<sup>23</sup> Because of the paucity of accurate record-keeping in the districts, it is impossible to know how many villages have been resettled or merged since the early 1990s. In some districts of the North, this movement of people has surely impacted a majority of the non Lao-Tai population (personal observations and communications).

<sup>24</sup> Rosalia Sciortino et al. (2007) “Regional Integration and Migration in the Greater Mekong Subregion: A Review.”

Families that were previously “cyclically” poor because of a larger number of younger children can now look forward to chronic poverty in areas where there is too little land for production purposes. If villagers feel that there are land shortages at present already, then it is clear that such shortages will become much greater in the future. The demographic structure of Laos still shows (as of 2005), a population of around 40% under the age of 15.<sup>25</sup> Considering the higher dependency ratios (labour to non-labour) in the northern provinces (Houaphan and Xieng Khouang have the highest ratios in the country), this means that there are large numbers of young labour that need to be absorbed. If families and, indeed, whole villages are experiencing land shortages now, there will likely be a trend toward greater rural poverty in the northern uplands if pro-active measures are not taken now to mitigate this.

Outsiders, such as local officials, add very negative reasons to explain non Lao-Tai poverty, (already mentioned above and which do not need repeating here). In some districts, officials have noted that villagers are poor because of inadequate access to land without realising that it is the district’s implementation of various policies which has caused these access problems. Another point often mentioned by officials is the difficulty of language and “knowledge.” There is, indeed, an important association between language barriers and access to information. In a socio-economic situation which is becoming dominated by market forces, men’s and women’s abilities to assess markets depending on the information they receive from different sources becomes crucial. As women have, for the most part, had much less access to educational services they also tend to be more isolated from the “outside world,” unless they share a language with that world (as is sometimes the case in border communities).

In conclusion, then, the poor of the northern uplands are predominantly non Lao-Tai people living in all sorts of communities and settings. That is, they may be located at roadsides, in very remote locations, in “old” communities (i.e., those that haven’t been moved in the past 25 – 30 years), or in more recently merged or resettled communities. They may live in ethnically homogenous communities, or in those which are “artificially” mixed through resettlement or merging programmes. The poor have a uniform trait, however, in their problems with access to adequate land and forest while at the same time lacking the training and skills to engage on more favourable terms with the non-agricultural sector of the economy. This forces them to seek jobs in the lowest paid, unskilled sector of the economy, such as agricultural wage labour, plantation labour, road and building construction.

---

<sup>25</sup> See Steering Committee for Census of Population and Housing (2005) *Results from the Population and Housing Census 2005*, pp. 5-6.

*Box 1:**Villagers' Coping Mechanisms: For Better or Worse*

As the highland communities have traditionally placed a high value on communal subsistence, there were a number of built-in mechanisms by which it was assured that all families in a community would have enough to eat. These mechanisms started by way of the allocation of fallow land for rice cultivation. Such land is never held privately for more than the one season it is used before being left fallow again. Thus, many families would have a chance to use better quality land over time. Otherwise, the families also traditionally practice labour exchange (along clan lines) so that all families get an adequate amount of work accomplished for critical tasks.

If a family does happen to suffer from rice shortages, then they may be able to borrow some from relatives in the same, or neighbouring village. As the villagers tend not to be welfare-oriented in their traditional outlook, families which have labour shortages work for others in the village (even for their relatives) in order to earn their rice. A typical activity in this regard is collecting and stacking firewood for a better off family. Nowadays, some families try to send a person to find seasonal labour possibilities in the small towns of the North (or in neighbouring countries, especially Thailand).

With increasing cash cropping, and the pressures to produce less upland rice (viz. Programme Six), rice these days has also acquired more of a "price" than it had before. It is harder to rely on traditional coping mechanisms, as even better off families may also be buying some of their rice. The merging of villages also reduces the community values associated with communal subsistence, while the reduction of shifting cultivation and a move toward the "privatisation" of land in the form of fields claimed for cash cropping mean that a family with poor quality plots is condemned to these forever. Distress sales of both land and livestock have also become a short term means to acquire cash.

The data of the 2005 Census, as depicted in the maps of the Socio-Economic Atlas of Lao PDR, show that virtually all northern districts have been experiencing outmigration. This is obviously a more drastic coping mechanism; simply leaving an area where it has become impossible to earn a secure livelihood. Sadly, there are reports of internal trafficking of non Lao-Tai women and girls in northern Laos: the PPA (2006: 37) notes "fifteen young girls from this village [in Long District, Luang Namtha] have left to become prostitutes in neighbouring areas such as Viengphoukha." This is one of the more tragic coping mechanisms to arise from the situation of more vulnerable livelihoods, and follows on from what has happened in the northern highlands of neighbouring Thailand.

### 1.5.3 The Interlinked Causes of Poverty in the Northern Uplands

The discussion above gives some indication as to the causes of poverty in the northern uplands. While it may be true to say that the traditional, semi-subsistence livelihood systems don't create "wealth" in the "modern" sense of capitalism and consumerism, they have provided adequate returns on labour for a majority of families for generations. This system is based at its core on an adequate area of forest fallows, as it relies for its productivity and sustainability on being able to leave fields fallow for some years (the length of time determined by local conditions, but seldom less than seven or eight years) before being used again.

Therefore, it is no surprise that villagers identify **land shortages as the major cause** of their poverty.<sup>26</sup> Land shortages are caused less by population pressures, and more by the policies of GOL to eradicate shifting cultivation (by turning it to limited, rotational cultivation) by 2010 combined with the earlier Land and Forest Allocation Programme (LFAP) which tried to maximise the amount of villager land (in effect, old fallows) returned to forest. These shortages are, in turn, further exacerbated by village resettlement and merging, and by the takeover of land for concessions or concession-like contract arrangements. There are also reported cases in the northern uplands of distress sales of land, with better off farming households buying land from poorer households, further pauperising the latter. Policies to resettle and/or merge villages have directly affected at least 30 – 50% of non Lao-Tai villages, and in some districts it will be even more than this.<sup>27</sup>

There are **a number of negative synergies** which are working together in the northern uplands to exacerbate, rather than alleviate, poverty in its multi-dimensional aspects. Many of these synergies have as their points of origin the implementation of government policies at local level. While there may be good intentions in the sense of the government objective to alleviate poverty and assist people to develop so-called “permanent occupations,” the methods chosen to realise these policies on the ground have created hardship for a large number of upland families. These hardships are often felt more severely by women than men (see Box on Gender Issues in Mono-Cropping and Resettlement below).

A longstanding policy initiative of GOL is the creation of **focal development villages** and sites (now called “development kum ban”). This came out in the 1990s and has recently been reinforced with a new Prime Minister’s Order (13/PM, 2008) on establishing development villages and clusters. This PMO furthers an earlier Politburo Central Committee directive (09/PBPCC, 2004) on “merging villages,” and indicates the high importance the Government places on “model sites” as a development strategy. Unfortunately, no matter what intentions lie behind this policy, the realities of this policy’s implementation do not warrant its use as a poverty reduction strategy. The problems involved are manifold, but include the difficulties with land shortages, inadequate government services despite increases in infrastructure, persistent marketing difficulties even with better road access, problems for villagers of different ethnic groups to live in the same village, and crowding. Moreover, the “model” approach to development assumes that those who are poor will simply be able to follow the “development example” before them. This of course fails to address the issue of different endowments at household level which make it impossible for all households to follow the same development strategies. All in all, the “model development” approach has had no noticeable spread effect to date.

The implementation of Party Congress directives on modernising agriculture, including MAF’s four goals and 13 measures), form part of the negative synergies impacting sustainable livelihoods. This is related to the boom in both concessions and contract farming (see detailed discussion in Chapter XX). One of the main issues here is related to **land being appropriated by concessionaires** without the agreement of the villagers, and without any compensation paid to them. People already subjected to land shortages because of resettlement and other policies seldom have any say in preventing an unwanted concession on their lands.<sup>28</sup> Such agreements are made either between the district and the company, or between the province and the company. Villagers basically have no say in the matter.

<sup>26</sup> See the Participatory Poverty Assessments conducted in 2001 and again in 2006 under the auspices of the National Statistics Centre, and written up by James Chamberlain (funding by ADB).

<sup>27</sup> See the European Commission (2006) *Lao PDR – European Commission Country Strategy Paper for 2007 - 2013*, p. 50.

<sup>28</sup> This was articulated to the Team at one village where the villagers said, “We don’t want this concession, and we also don’t want to do contract farming for rubber, but we can’t say no.” Similar situations have been reported in other northern provinces where villagers have other plans for their land, but are then pushed to cooperate with concessionaires. (See PPA 2006, p. 37.)

Obviously, other than the potentially negative impacts in terms of even more restrictions on land use, it also has disempowering effects on entire village communities in that land within their boundaries is taken from them without consultation or negotiation.

Although GOL is very much keen on promoting **sustainable, permanent livelihoods based on commercial agriculture**, the different manifestations of this policy at local level are sometimes counter-productive and often disempowering. The promotion of annual cash crops is a case in point. The districts make arrangements with traders, giving them exclusive rights to certain parts of the district as a **monopsony**. In this way, the district controls both the traders and the producers, and it is easier to collect taxes and/or engage in rent-seeking behaviour. In some districts, the traders agree to construct simple roads in order to better access the villages which are planting the maize. In exchange for this, the district gives the trader exclusive rights to buy any and all agricultural produce (not only maize) for a minimum of eight years thus effectively turning “contract” farming into a concession. In Houa Muang, a number of access roads (totalling around 50 kilometres) were being constructed at a rate of LAK 17 million per kilometre. Villagers were told they have to contribute LAK one million per kilometre, to be subtracted from the price they get for the maize. The District made no contribution.

In all districts visited, contracts are signed between the traders or companies and the district officials (DAFO and District Governor); the actual producers are not signatories to these agreements and they have no rights to sell their produce to any other buyer. The Team also heard of cases where several villages were in debt to the buyer *after* the maize harvesting season because:

- The prices were so low;
- The harvests were much less than expected;
- The villagers’ needed to pay “their share” for the road construction;
- The villagers took advances (not only for seeds, but for rice and other goods) from the company.

In some districts, notably in Luang Prabang, the “contracts” between traders and the districts include the traders’ agreement to pay DAFO staff for maize extension, while the district agrees to promote a certain number of hectares of maize cultivation in the traders’ area. The idea of conflict of interest has not yet arisen, although farmers are resentful of the arrangements and feel disadvantaged by them. There is **no transparency for villagers** in the agreements between officials and traders, and they have little to no say in how they are concluded. They often have no independent sources of information regarding market prices. When there are problems between the villagers and the traders, DAFOs and District Governors do little to protect the interests of the villagers. There is **rarely accountability towards the producers**.

It is obvious that such a situation cannot benefit the producers, and is another inadvertent means of disempowering them. The overall pressures put on non Lao-Tai farmers to reduce upland rice cultivation (*yutti het hai pook khao*) force them to turn to the riskier mono-cropping, no matter what happens to the price. They have been forced into a situation where they have no viable alternatives, and for the better off families, maize planting has become a means for clearing and staking claims to larger areas of land (the maize plot is not *het hai*, it is *het suan*).<sup>29</sup>

With **mono-cropping promotion**, farmers’ risks have increased significantly in light of the monopsony/control practices of the districts. Again, the negative attitudes of district officials

<sup>29</sup> This process of land privatisation in the uplands is destroying all traditional mechanisms related to community subsistence, as individual households then “keep” their land in perpetuity, while other households may eventually lose all land.

towards local farmers becomes evident when they claim that farmers aren't able to deal with outside traders. It appears that the districts are unwilling to allow the farmers to learn their own lessons from direct dealings with the private sector, preferring rather to keep the farmers in a dependent position vis-à-vis both the private sector and the districts themselves. This of course result in market distortions and overall sector weakness.

People's access to forest and forest resources such as non-timber forest products (NTFPs) has also been greatly compromised by the various policies mentioned above. This is also a cause of poverty. The **loss of bio-diversity** has particularly negative side effects for poor families who rely more heavily on forest products for their livelihoods (NTFPs are both an important supplement for their incomes, plus they are also an important source of nutrition<sup>30</sup>). In most villages visited by the Team, people reported reductions in NTFP availability, or they reported problems in selling NTFPs because of a lack of traders. Major price drops, also for some NTFPs (with the exception of *dok khaem* "broom grass"), were also mentioned. Another issue which arose was that **the districts have erected trade barriers** along their borders. A *peuak meuak* (a bark sold mostly to China for use in incense) trader in Vieng Kham is not allowed to cross the district border into Pak Xeng (both in Luang Prabang) to buy *peuak meuak* there. The loss of bio-diversity nearby the villages is also exacerbated by the government's promotion of industrial tree crops such as rubber and teak in the North (further discussion on this in Chapter X).

Commercialisation of agriculture also provides the rationale for the provinces and districts to **raise rural taxes**. In some villages this was also mentioned as a hardship, contributing to poverty. There seems to be no consistency between the provinces in how land, and other, taxes and fees are calculated and collected. Moreover, there is no relation between the "poverty" rating of a village and the amount of taxes demanded from the village. A similar situation prevails in both Pak Xeng and Houa Muang, for example, whereby so-called land taxes were dramatically raised from one year to the next in the villages (although the amount of land under cultivation has stayed stable). The following list of three villages visited by the team in Houa Muang, the number of households, their poverty rating and the taxes demanded from them gives an indication of the irrationality and regressive nature of the rural tax structure.

Table Four: Land Taxes Demanded and Paid in Houa Muang District

Village Name	No. of HHs	No. of Poor HHs	Land Taxes Demanded in 2007	Land Taxes Paid in 2007	Land Taxes Demanded in 2008	% Increase 2007 to 2008	Per HH Tax Burden 2008
Ban Kaew Sik	28	28	500,000	280,000	1,000,000	100	35,700
Ban Pak Nya	32	14	1,100,000	830,000	1,500,000	36	46,875
Ban Pha Nang	80	40	1,800,000	1,800,000	2,000,000	11	25,000

Table Notes: The taxes mentioned above are only for land, and do not include various fees which villagers are also obliged to pay.

Here we see that the smallest, poorest village of the three suddenly has to pay double the taxes from one year to the next! In Luang Prabang we were told that exemptions—even for

<sup>30</sup> See FAO Laos brochure: Enhancing Food Security Through Sustainable Management Plan for Non-Wood Forest Products. It says, "On average, it has been estimated that forest foods provide 11% of the total value of food consumption during the dry season, and up to 19% in the wet season. In poorer families NWFPs can account for over 50% of the diet, especially when tubers, roots and bamboo shoots replace rice."

exceptionally poor villages--would not be made since people might be faking their poverty. In one village the Headman said they exempted the elderly with no children from paying taxes. In Houaphan we were told that if 70% of a village production area is destroyed by disaster, then a tax exemption could be made.

In other discussions the Team had with district officials in Luang Prabang, it seemed that villagers were also forced to pay a “labour tax” even if they’re just working on their own farms. It also seemed that the per capita tax burden, including fees, in Pak Xeng was very much higher than shown in Table Four above, as villagers mentioned having to pay LAK 150,000 – 200,000 per household (and some households had annual incomes of less than 750,000!). The villagers of Had Phouane (84 households, 76 with rice shortages) had a land/labour tax burden of LAK 11 million fixed for 2008 - 2009, meaning about LAK 131,000/household. The main point here is that the rural taxation system is not grounded in transparency or fairness, and most certainly disadvantages both poorer families and poorer villages.

Finally, another major cause of poverty in the northern uplands relates to **livestock losses**. Many villagers reported to the Team that they had fewer livestock than in the past. Again, the root cause of this was attributed to resettlement and merging (too little land available to keep livestock in the new location and too close to cultivation areas of neighbouring villages).<sup>31</sup> Villagers in resettled villages mentioned they had less large livestock than in their old locations because they had to sell them off in order to finance their move themselves. No villagers said that they’d been assisted in any way by the district authorities who had told them to move to a particular location. Villages where livestock numbers were much lower than in the old locations reported that they did not have enough capital, and did not dare to borrow money from any bank. For many villagers, large livestock is more like an “emergency fund” rather than a steady source of income.<sup>32</sup> Villagers, including poorer villagers, would be interested in keeping goats (fast reproduction, relatively hardy, good price and demand), but in some of the resettled areas they said it wouldn’t be possible because there was no way to control the goats and keep them out of the upland plots (i.e., goats are not easily fenced!).

In conclusion, the causes of poverty in the northern uplands are largely structural and policy-related. The government’s attempts to return much of northern Laos to forest (including industrial tree cover), combined with promoting people to have “permanent occupations” have not yielded viable, sustainable alternatives until now. This means that non Lao-Tai families’ rights to livelihoods and rights to food (as set out in the CESSCR) are neither being protected nor promoted; the high levels of childhood stunting in the northern uplands provide stark evidence for this. It is also clear, then, that while there are technical solutions to some of the problems mentioned above, for the most part they relate to political solutions and the need for policy change. There needs to be a major paradigm shift in order to bring a sorely out of balance agro-ecological system back into balance so that it does, indeed, result in the interactions required for non Lao-Tai families to have sustainable livelihoods and reduced poverty.

---

<sup>31</sup> In rubber growing areas of the North, large livestock are sold off, as grazing areas become too curtailed. Moreover, big fines are imposed on farmers whose cattle wander into a rubber field and destroy any of the saplings.

<sup>32</sup> There are, of course, exceptions to this such as the livestock growing areas of Xieng Khouang where it is really the main source of village income especially for Hmong villages.

*Box 2:**Gender Issues in Mono-Cropping, Resettlement and Land and Forest Allocation*

Women are farmers across all ethnic groups and farming systems, and household farm labour is highly integrated. Nonetheless, the differences in household allocation of labour result in different impacts on women and men from different government policies and actions. Non Lao-Tai women say that their agricultural workload is becoming heavier, while at the same time they feel their families are faced with increasing difficulties to meet their food needs. Many of the causes of women's reduced rights to a secure livelihood are structural, starting at the policy level, and resulting in women's reduced access to productive resources, especially including land and forest.

Women cited the following three causes for their increased workload and a fourth one for reduced food security:

- The implementation of the land and forest allocation policy limiting the number of upland plots to three, (drastically reducing fallow times);
- The village merger policy;
- The implementation of various land concessions;
- Monopsony trade setup in the district.

The policy to reduce the total number of plots allowed to remain in the rotational cultivation system has two immediate impacts on the farming system itself. First, with the reduced fallows the weed pressure increases; second, the reduced fallowing times don't allow larger trees to grow up anymore. Since women are responsible for weeding they have much more work to do, plus their share of the land clearing work also increases with the increase in brush and shrubs (women's task to clear, men's to cut the larger trees). If women cannot keep up with the weed pressure,<sup>33</sup> they may also choose to make smaller plots, again reducing their rights to food. As a "new" coping measure, the Team has heard of northern upland maize farmers turning to herbicides to keep down weed pressure (and also the first cases of hospitalisation because of herbicide poisoning).

The merging of villages causes many women (and men) to have to walk longer distances back to old fields, as there is no productive land available in the new place. Women often carry children with them, or leave very young children/infants behind, which also has a negative impact on the children's health and schooling. Overworked women can hardly think of improving the nutritional status of either themselves or their small children, and they may even have lactation problems if they are breastfeeding.

The maize boom presents an even worse impact on women's labour without increasing their food security. Unlike upland rice fields, women must clear maize fields much more thoroughly and ensure that weed pressure is kept down. Unlike a rice field which includes many different kinds of vegetables for home consumption, the commercial maize field does not. When it comes to marketing information, women are again at a disadvantage in that what little trickles into the village, probably comes to the men in Lao. The need to buy seed also erodes their important role in seed selection for the next season's planting, thus also eroding their decision-making in what to plant where. Since cash cropping often comes more into the male sphere of dominance, it may well worsen women's status in their homes and communities.

<sup>33</sup> See also Jim Chamberlain (2006) *Study of Gender Inequality in Women's Access to Land, Forests and Water in the Nam Ngeum Basin*. For ADB TA 4339. In this study he highlights Phong women's dramatic increase in weeding requirements from around 10 days per season under the traditional system to 56 (!) days now with the reduced rotation system.

## 1.6 Relevant Donor-Supported Programmes, Project and Activities

The largest, and best known, donor-supported programme in the area of poverty reduction is the Poverty Reduction Fund or PRF supported by the World Bank and the Swiss Agency for Development and Cooperation (SDC). It is described elsewhere in detail in the overall report, so only a brief mention will be made here. With the heavy focus on infrastructure it means that the PRF is not much related to the reduction of household poverty. Nonetheless, it has devised a simple but inclusive method for community-based planning which could be adapted for use under the CCP/NUSDP.

Although there are a few International NGOs which are trying to reduce poverty at household level, most work on “poverty reduction” has taken rather indirect approaches to solve poverty in an area, rather than looking at what can be done on a household level. There have all too often been inadvertently exclusionary approaches taken (example: level of contribution for certain activities such as savings and credit groups or certain kinds of cropping and livestock activities).

Of great relevance to the extension-related aspects of the CCP/NUSDP is, of course, the Lao Extension Approach based on the principle of “extension for all.” It promotes an inclusionary approach based on working with small production groups. It is not at all oriented to large demonstrations at either village, kum ban or district levels, but rather on farmer-oriented and planned interventions. In this way, at least theoretically, the endowments of poorer households will also be taken into account when trying out new techniques, etc.

The strong connection between nutritional problems, ethnicity and poverty is recognised with the World Food Programme’s (WFP) community-based nutrition education training, Feeding for the Future (FeFu). Successful pilots have been conducted in northern provinces in Lao, Akha and Hmong.

*Other team members will have written more on relevant donor-support.*

## PART TWO: OVERVIEW OF THE PROGRAMME

### 2.1 Strategy Elements

The CCP/NUSDP has as its overarching goal, the major reduction<sup>34</sup> of poverty in the northern uplands with sustainable livelihoods. In keeping with this goal, and in light of the situation analysis above, the CCP/NUSDP will have to adhere to a set of elements which will then make up its overall strategy. It will also have to maintain a number of principles (articulated in the next section).

The **overall strategy of the CCP will be geared towards poverty reduction.** This, of course, is in keeping with GOL’s own goals to meet the MDGs by 2015, and leave LDC status by 2020. As made clear above, part of the problem in the current “imbalanced” situation which should lead to people’s sustainable, permanent livelihoods is that there are too few mechanisms by which non Lao-Tai people have a say in their own development. While there are good policies and intentions on the part of government, **civil society is too weak** to negotiate in its own interests, this being particularly true of the non Lao-Tai, women and the poor. Without a strengthened bargaining power of civil society, the overall sector of Agriculture and Rural Development will remain weak.

---

<sup>34</sup> In fact, the word used is “eradication,” which is impossible to achieve in Laos, let alone anywhere in the world!

Therefore, **the most important strategy element will be the focus on village and kum ban groups, associations and networks.** Virtually all local level activities will be conducted through, and with, facilitated groups and committees. As **women** have the least voice of all, they will be facilitated to have their own groups. For any type of village-based activities, moderators will ensure that women's opinions are considered on an equal basis with men's, and that there is adequate representation of non Lao-Tai views. As the provision of ongoing group or association support, with few exceptions, cannot and should not be a government task, the CCP will hire field staff to work with government staff as needed to mentor the fledgling civil society organisations.<sup>35</sup>

In keeping with the observation that so few of either government or donor-supported projects and programmes actually reach poor households, no matter their ethnicity, the CCP will have as a strategy element **the direct targeting of poorer households, especially including women-headed households.** This would include not only food security aspects, but also land management and income generating activities of all different kinds in keeping with their household endowments. If poor families have too little access to productive land, processes of land re-allocation will have to ensure that they receive a fair share. The "model" or "demonstration" approach in agriculture has no proven effect on the welfare of poor households, as they so often cannot replicate what is demonstrated. It will therefore be avoided unless it explicitly involves (and adequately subsidises) poorer households to take part directly in field experiments. **The direct targeting of poorer households will automatically mean a major focus of the CCP/NUSDP on non Lao-Tai ethnic groups.**

Considering the severe lack of accurate, or neutral, information which reaches the villages, another strategy element of the programme will be to **ensure the flow of information to villagers** whether on laws, directives, entitlements (to compensation, for example), market prices, available traders, environmental issues or nutrition issues. Villager decision-making based on adequate facts should be the basis for all work of the CCP and beyond. Participatory approaches for the purpose of fomenting pro-poor growth in rural development cannot function well if villagers are not party to adequate information flows. Where possible, such information flows will be made in the relevant non Lao-Tai languages, so as to reach women and poorer households.

As is clear from the analysis above, government at different levels have taken a more directive, restrictive approach in dealing with non Lao-Tai villagers and the earning of their livelihoods. This has included the approach taken with encouraging the private sector to enter remote districts. Therefore, the next strategy element of the programme is to **encourage and support a "new" role for government more in keeping with the complexity of a changing, modern, market economy.** This means, in essence, facilitating rather than controlling other stakeholders (example: bottom-up and participatory planning processes, and area-based planning, free market approach) and accepting that government should not necessarily try to be the main driver of change in the sector. It also means that good governance will be encouraged via capacity and institution building according to the principles of **transparency and accountability towards all stakeholders**, especially including poor households.

The conclusion from the analysis above, and from several other major studies carried out within the past few years, is that much of the poverty being experienced in the northern

---

<sup>35</sup> See the European Commission (2008) manual entitled, "Sector Approaches in Agriculture and Rural Development." It notes the following: The key lesson is to not focus too narrowly on government, the sector ministry, the national level or on activities of policy making and finance management. Much as these actors and these activities are points of entry in a sector approach and a sector programme, **the policy objective of pro-poor rural growth needs the capable and active involvement of many more actors.**

uplands today has been created by the implementation of the very policies which are meant to foster poverty reduction and/or pro-poor growth. Therefore, the next strategy element of the CCP will be to focus on **policy dialogue in order to further develop a coherent policy framework for pro-poor growth in the agricultural and rural development sector** in the northern uplands. As the World Bank Study on Agriculture in Transition, conducted with the Department of Planning of MAF, concluded: *A careful and open policy assessment of whether the underlying assumptions with regard to traditional farming practices, upland environmental degradation, and upland poverty are adequate and relevant would be an important step toward making the upland and agriculture policy framework less restrictive for upland livelihoods and more pro-poor sensitive.*

Finally, as the CCP is to lead to a PBA on Rural Development, an important strategic element that it will adhere to is the “**open system model.**” This element is explained clearly in the EC’s Guidelines on Sector Wide Approaches in Agriculture and Rural Development (p. 53), and relates to the necessity for a multi-stakeholder approach. Given their high level of explanatory powers, the relevant paragraphs are repeated here:

*The Open Systems Model is of particular use in agriculture and rural development for two reasons: (i) it encourages the early introduction of an “actor perspective” and (ii) it allows more informed weighing of alternative strategic routes towards policy objectives.*

*An “actor perspective” is introduced during identification. Almost invariable, for outcomes to be met, outputs are needed from a wide array of actors, both in the government and beyond. Acknowledging this at an early stage helps prevent too narrow or too early focus on only one actor (e.g. Ministry of Agriculture or local government) at the cost of other key players.*

*Weighing of the alternative options is made possible by realising that there are several routes, via outputs produced by different actors, towards the same policy objective. For example, an objective of increasing access to extension services does not need to imply a roll-out of government extension. There usually are non-state actors that can provide extension, possibly even at reduced cost.*

*Mapping of actors linked to objectives can clarify potential roles of groups like traditional leaders, commodity organisations, NGOs, women’s groups as well as the usual government and private sector actors. Having this overview gives a clearer picture of the potential (human) resources or capacity in the sector and permits a more informed match between objectives and the strategic options to achieve them.*

## 2.2 Main Principles Guiding the Implementation of the CCP/NUSDP

A number of the principles for the CCP/NUSDP have been set out in the Position Paper and Road Map for the Northern Uplands Sustainable Development Programme, and agreed upon by all development partners in the Sector Working Group on Uplands Development. These principles will, of course, be adhered to. Additionally, the donor partners have raised the issue of relocation; indeed, it is raised as a human rights issue by the Lao – EC Country Strategy Paper, 2007 – 2013.

The principles already agreed to in the Position Paper are as follows:

- **Inclusiveness and Empowerment of Disadvantaged Groups** (this is already mentioned as a strategy element above);
- **Sustainable Development** in its environmental, social and economic aspects, focusing on both social and environmental safeguards, especially as regards watersheds and land use changes in connection with concessions, infrastructure and other investments;
- Use of **Human Rights Based Approaches** (HRBAs), in which GOL capacities to respect, protect and fulfil the rights of its citizens are improved in accordance with the international human rights treaties it has signed. HRBAs are intrinsically bound with good governance: non-discrimination, participation, transparency, accountability and

empowerment. HRBAs also emphasise gender equality, and the legitimacy of having special temporary measures in order to improve gender equality;

- **Options to Solve Site Specific Problems:** Avoid the tendency to produce “one size fits all” solutions when the uplands are obviously characterised by high diversity. Applied research will be necessary to help devise site specific solutions to problems;
- **Multi-Stakeholder Approach:** (this is already mentioned as a strategy element above);

### 2.2.1 Additional Principles

As mentioned above, the CCP/NUSDP will follow the EC’s **Resettlement and Relocation Policy Principles** listed out as follows:

- The choice of development option should fit within a long term vision of sustainable development which is based on the result of sound research;
- The choice of development option should be based on participatory assessment of the current situation, possible alternative course of action, and the social, economic and environmental viability of those alternatives;
- Villages that have potential for development where they are should be encouraged to exploit it;
- Any relocation should be voluntary and based on a participatory approach that respects cultural and sociological considerations;
- Where relocation is the preferred option, sites should be developed in advance of occupation with the participation of those who are to move, should be adequate for their needs and should be subject to safeguards against negative environmental impacts;
- A follow-up programme of capacity building involving training in agricultural techniques, sanitation.

A further principle related to the one above and to principles of human rights generally is that **people living in the programme area have the full right of movement and migration**. Some families may choose to go and live in another location, including outside of the district, and their rights to do this should not be curtailed.<sup>36</sup>

The principle of **Do No Harm** will, of course, be adhered to in all interventions. It is also closely related to human rights approaches and is accepted as a principle of aid effectiveness by OECD-DAC.

Finally, a principle for the programme to follow is that of **capitalisation or knowledge management**. This means “forward and backward linkages” in terms of capitalising on knowledge and experiences generated by project and programme implementation. Existing, successful experiences will be adapted for the programme areas, while experiences gained will be shared and monitored.

## 2.3 Selected Programme Area

***Someone else writing this. Excerpt from Inception Report.***

Sam Tai District in Houaphan should be selected for interventions as it is not only the poorest district in the provinces visited, it has also the largest number of poor households.

---

<sup>36</sup> It was reported to the Team in several instances that families wanting to move out of the particular district were not allowed to do so.

## PART THREE: DETAILED PROGRAMME DESIGN, MANAGEMENT, IMPACTS AND RISKS

### 3.1 Overview of Programme Design

*Someone else writing this!*

### 3.2 Narrative Description of Programme Components and Objectives

#### 3.2.1 Component **No.XXXX**: Food Security

Component **XXXX** relates to the information and analysis provided above which shows that the incidences of chronic child malnutrition in the northern uplands is the highest in all of Laos, meaning that household access to foods of various types, among all ethnic groups but worse among the non Lao – Tai, is inadequate. As mentioned, Maternal Mortality Rates are the highest in 14 northern districts (including three selected so far for programme interventions: Pak Xeng, Houa Muang and Khoua). At the same time, however, all recent studies, such as the CFSVA, show that the main food security problem does not relate to levels of carbohydrate in the diet. Therefore, it is not a priority of this component to increase rice production, but rather the production and collection of other agricultural and forest products which will relate to a directly improved nutritional status of pregnant and lactating women and small children, hopefully reducing levels of stunting.

This component must be designed as a “stand alone” under the overall umbrella of the CCP/NUSDP because of the EC’s separate funding of it (expected: EUR 5.8 million) under its Food Facility. There is also a good chance that it will be separately implemented via a tendering process.

**Component Objective: Household access, especially of children under five and women of reproductive age, to nutritionally adequate and safe food is improved.**

There are several **expected results** under this component objective:

- Parents understand the need for a central role of nutrition issues in their livelihood strategies;
- Children under five have a regular, improved intake of micro-nutrients in their diet;
- Incidences of diarrhoeal and parasitic disease among children under five reduced.
- Emergency mechanisms in place to support families with wasted children;
- Underutilised food species, including NTFPs with high levels of micro-nutrients, are exploited sustainably for family consumption;
- Upland families’ rights to forest food species strengthened (i.e., not adversely affected by Land and Forest Allocation);
- Increased and diversified agricultural, garden and livestock production, ensuring an adequate nutritive base for family consumption, is supported;
- Homestead and agricultural production areas of adequate size and quality available for all farming households;

There are a number of interrelated activities which will lead to the expected results and overall objective of this component. These relate to comprehensive nutrition training for district teams who, in turn, will train village women and men on various aspects of nutrition to improve their and their children’s health. In this respect, WFP has already piloted nutrition training under its initiative: “Feeding for the Future: A Community-Based Approach to

Nutrition Education.” This project has been piloted with materials available in Lao, Hmong and Akha languages in the northern provinces of Oudomxay, Luang Namtha and Phongsaly. Obviously, materials should also be adapted for use with Khmu people, and should become part of the nutrition education activities of the food security component.

Village water supplies to provide a safe source of domestic water will be installed or improved in villages which do not have such sources. Once water supplies are operational, then it is also possible to install latrines and to promote kitchen gardens (kitchen gardens seldom work in the absence of adequate water supply in the village). Successful kitchen gardens increase the variety of vegetables in the diet and may also be a minor source of household income. Access to safe water and to latrines potentially decreases sanitation-related diseases among small children, thus improving their nutritional status.

Both women and men will receive training on NTFPs which provide particularly good sources of nutrition (plants, fruits, roots, insects, animals, etcetera). DAFO staff will assist farmers in domesticating some of the more promising species, while training will be provided to farmers on sustainable utilisation of wild species. DAFO and PAFO staff will be trained themselves, so that they understand the role of MAF in implementing the National Nutrition Policy in the “green” sector. MAF, according to a presentation at a preparation session for the Round Table Meetings in November 2008, has agreed to the following in support of the NNP:

- Expand and translate the concept and strategy of food security towards increased dietary diversity;
- Plan and ensure sustainable food production;
- Encourage sustainable planning and management of natural resources.

This component will also provide support to MAF in implementing these strategy points by its training of PAFO/DAFO staff.

PAFO/DAFO staff will receive awareness raising on the deleterious impacts of industrial tree concessions and the promotion of mono-cropping among others, on the nutrition status (and thus poverty status) of upland families. Farmers will also receive support to plant fruit-bearing plants/trees in their villages for local nutrition purposes.

Livestock banks with small and medium livestock will be established with poorer households (normally women) as members. While small and medium livestock may be a good source of income, small livestock—especially poultry and eggs—may also be an excellent source of protein if consumed on a regular basis. Improved livestock husbandry practices, including vaccination and stall feeding (if practical), will also be supported. Fish ponds should generally be avoided, as it will be of greater utility to explore with families what the sources are of wild fish, frogs and aquatic animals in their vicinity, and how these can be better incorporated in the diet.

As food emergencies, including epidemic diarrhoea outbreaks, are bound to happen in the northern uplands, the programme will also establish emergency mechanisms, such as supplemental feeding for small children, to reduce the number of needless deaths of children under five. Families with wasted children will also receive small emergency grants to take care of medical expenses.

An extremely important constraining factor in food security for non Lao-Tai villagers is that they have been relocated to places where there is inadequate land of sufficient quality to support diversified agriculture and livestock production. Indeed, in some of the resettled villages there is hardly enough space for homesteads, if one considers the space required for stalled livestock, kitchen gardens and latrines. Therefore, if the allocation of land to communities is not reconsidered, and redone, it may well be that the families will never be enabled to improve their nutritional status. Therefore, land re-allocation will be an important activity of this food security component, but done in close cooperation with the general

participatory land use planning (PLUP) activities of the CCP/NUSDP. Priority will be given to villages which suffer acute land and forest shortages.

This component will require for its successful implementation, a fulltime nutrition specialist familiar with the conditions in the northern uplands. Preference would be for a senior Lao national, but if such a person is unavailable, then a regional expert would be required. Further technical assistance will be required to ensure that appropriate curricula are developed for PAFO/DAFO staff on relating their work to nutrition, to conduct training for district mobile nutrition teams, and to adapt the existing materials in additional major languages such as Khmu.

3.2.2 Component No. XXXX: Commercialisation of Agriculture/Marketing  
**Someone else is writing this.**

3.2.3 Component No. XXXX: Capacity Building for Villagers, Their Groups and Networks

Component XXXX lies at the heart of the CCP/NUSDP. It relates closely to the primary strategy element mentioned above on needing to focus on civil society organisations in the northern uplands.

**Component Objective: Strengthen village and kumban-based civil society organisations so that they are able to engage on better terms with public and private sector stakeholders in agriculture and rural development.**

With improved terms of engagement, villagers will also be able to improve their livelihoods on their own terms, which will also serve empowerment objectives of the programme.

Under this Component there are several **expected results**, as follows:

- Functioning Women's and Men's Interest Groups will be established and supported;
- Functioning Kumban Networks and Associations will be established and supported;
- Increased Number of Adequately Trained Women and Men of non Lao-Tai Ethnicity Working in the Districts;
- Non Lao-Tai Villagers' Access to Independent, Reliable Sources of Information Increased;
- Government Staff Awareness on Crosscutting Issues, Human Rights Based Approaches, and Facilitation Skills Increased. (see also capacity building measures under Governance/Integrated Planning Component)

This means in essence that a series of related, and interlinked major activities will support the establishment and/or ongoing support of different groups within villages and at kumban level. Obviously, groups cannot exist without a purpose. Therefore, virtually all agricultural, food security and water supply, marketing, participatory planning for village development initiatives to be funded under the CCP/NUSDP,<sup>37</sup> NTFP and land management, and other activities promoted under the other components will all be conducted with group approaches. Women will also be given the opportunity to have their own space and forum in the form of women-only groups. They will be supported to voice their concerns and issues so that they will gain confidence in voicing these same concerns in wider, more public forums. Worldwide, there has been great success with women's savings and credit activities, and thus the CCP/NUSDP will support Women's Revolving Funds with seed money.

---

<sup>37</sup> As mentioned above, it should be possible to adapt the PRF planning processes for use in the CCP/NUSDP; they are relatively inclusive and also relatively simple to manage.

The establishment of groups will not be done in a directive, normative or superficial way. Interested households will have to decide for themselves if they think it is a good idea to join groups and eventually, to form networks, associations or functioning committees. Obviously, this will be a longer process, and no one should expect very quick results. Networks and associations will most probably be related to production and marketing issues, while committees are likely to arise in terms of village and kumban planning initiatives.

It will also be of crucial importance that all groups and committees are given awareness and training on participatory monitoring and evaluation. People need to be able to have access to adequate tools (and to have necessary confidence) for them to give feedback to both public and private sector representatives on the quality of goods and services they receive in their villages and kumbans. They also need to be enabled to evaluate their own activities. Training and capacity building measures will never emphasize formal, classroom training but rather hands-on approaches in different settings, including cross-visits, farmer field schools, and study tours.

While most of the activities with villagers under this component will come in the form of mentored group support, there are some activities specifically for women and young, non Lao-Tai students. These come in the form of medium and longer term vocational training, so that they can enhance their skills in the off-farm sector: a crucial area of endeavour for their futures. Hopefully, it will be possible for some of these graduates to then work either in government or private sector in their home districts.

As one of the major strategy elements relates to assuring adequate information flows to the villages, an important set of activities relates to the development and broadcast of information in major local languages on local radio stations (generally available at district level). Among other topics, villagers will be made aware of their rights under various laws, the Constitution, and according to the international treaties that GOL has ratified. Additionally, it is planned to employ young graduate students on a short term internship base (not more than 30 days per year) to help to provide information and/or non-formal education training in villages. Successful initiatives in this regard elsewhere have included intern law students providing unbiased information to villagers on the Land Law and the Forest Law. Another aspect of communication and information will be to provide "special information days" at kumban level schools; this would be aimed at middle school students primarily, and include various germane topics (environment, nutrition, where to go for vocational training, agriculture, marketing, HIV/AIDS prevention, etc)

Finally, in order to enable civil society organisations to function well, there also needs to be understanding and acceptance of them from public organisations, whether Party, government, or mass organisations. Therefore, in addition to supporting area-based and participatory planning processes, government staff will also need to be trained as part of an overall, systematic capacity building approach on crosscutting issues and human rights based approaches. Among others, the staff at both district and provincial level will need to understand what poverty is, and what household poverty means, compared with village-level poverty which emphasises infrastructure. Through classroom and practical training, staff will be helped to understand their role as facilitators, not as "controllers," of development and that this of necessity must include transparency and accountability if pro-poor growth and development are to be achieved.

In terms of mechanisms required to ensure the objective and results of this component are reached, the CCP/NUSDP will employ programme field staff to provide mentoring for the village groups, associations and networks. They will also work together with district and provincial staff.

In order to ensure the consistent inclusion of gender, poverty, ethnicity issues and Human Rights Based Approaches throughout the programme, including at policy dialogue level and the design of a future PBA, it will also be crucial to have two fulltime experts for the life of the programme: one international and one Lao. Other short term experts—both international and local—will be required to carry out training curricula development and testing, training, approach development and various studies, including independent monitoring studies.

***Additional Components are written up by other team members.***

### **3.3 Ensuring Cross-Cutting Themes Are Included in All Components**

Priority will be given to ensuring that poorer households are included in all groups that are supported under the Village Capacity Building Component, and that group activities will be appropriate for their specific needs and abilities. Again, as with groups in general, more space will be given to enabling poorer women to join and benefit from groups, committees, associations and networks.

In multi-ethnic kumbans, priority will be given to the villages with the largest number of poor households which, evidence strongly suggests, will primarily be villages with non Lao-Tai groups living there. All efforts must be made to ensure that programme benefits are not diverted disproportionately to the better off Lao – Tai villages, as has happened under the PRF in Houa Muang, for example.<sup>38</sup> These villages normally have a much stronger voice and connections with the district administration compared with the non Lao – Tai, and **it must be made a condition of the programme that it will focus on the non Lao – Tai.**

All activities will be carried out according to three main principles which must be adhered to:

- Priority participation by the poor;
- Equal participation by women in mixed gender forums;
- Proportional representation of different ethnic groups on kumban or district planning, or similar, committees (i.e., if a kumban has a population of 80% Khmu, 10% Hmong, and 10% Lao, then a 10-member committee should have 8 Khmu, 1 Hmong and 1 Lao and of these members, 5 should be women).

Wherever possible, information and capacity building will be provided in the main local languages found in the particular district; this will ensure greater inclusiveness for the non Lao-Tai groups, and especially for women.

Government departments will also be encouraged to hire non Lao-Tai ethnic groups as staff (for example, promise to hire ethnic group students who successfully complete technical training programmes on education, health or agriculture). The programme could also give preferential treatment to DAFO female technical staff (for example, by ensuring that there is a quota for them to get per diems) so that they get out to villages and speak directly with women's groups.

As mentioned above, the crosscutting issues of gender, poverty and ethnicity will also be part of governance training courses for district and provincial staff. There will also be national seminars held on these topics on an annual basis, also as a means to increase feedback mechanisms from the field to the national level. Staff at all levels will be given awareness training on the human rights treaties ratified by GOL, in order to understand state obligations

---

<sup>38</sup> This conclusion was made by analysing the list of PRF sub-projects through four cycles which had been granted for various villages in Houa Muang. While many villages were able to benefit, a disproportionate number of them—considering demographic representation and poverty status—were Lao – Tai.

under such treaties. This could partly be done with NCAW, as there are some training materials already developed in Lao language on CEDAW.

Policy dialogue will have to explicitly include open assessments on the impacts of policy on achieving gender equality, poverty reduction, and ethnic group equality goals. These discussions will also have to underpin the dialogue required to define a PBA for Upland Rural Development.

***Environment is also a cross-cutting issue: for someone else to write.***

### **3.4 Expected Impacts**

#### **3.4.1 Social Impacts**

The potential social impacts from the programme are significant. If women and men in non Lao-Tai villagers are able to form viable groups, associations and networks, this will have an empowering effect for many of them. If they are able to articulate demands, and negotiate agreements with both private and public sector actors, then they will be able to take much stronger steps to securing their livelihoods. Women's position could be particularly favourably impacted through positive discrimination and ensuring they have adequate forums to give voice to their demands. An improved nutritional status for both reproductive age women and their small children, will have immeasurably positive effects far down the line, as children who are not stunted are much better able to study, and to develop physically. In turn, they will be enabled to become much more productive members of society in whatever they choose to do.

#### **3.4.2 Economic Impacts**

***Someone else writing.***

#### **3.4.3 Environmental Impacts**

***Someone else writing.***

### **3.5 Risks**

**Policy Framework:** It may be that the resistance to change that has been exhibited on certain policy cornerstones such as eradication of shifting cultivation, and the emphasis on village relocation to create "focal development sites," will not reduce. It may also be that the next Five Year Plan will reflect this lack of change. Furthermore, if GOL pursues the implementation of the "Industrial Development Plan for the North," then many of the assumptions for people's increased participation, and for their increased land and food security will not be met. If regulatory frameworks for domestic and foreign investment and trade are not put in place, local producers may continue to be severely disadvantaged as they tend to be now.

**Poverty Issues:** If the government continues to focus on "infrastructure poverty," as it has done so far, then there is a risk that household level poverty will not be adequately focused on. If communal land and forestry management issues are inadequately dealt with, then people may be unable to reduce their poverty simply because they lack production areas and viable off-farm alternatives. Gaps in the villages will continue to grow, as only the few are able to enjoy sustainable livelihoods.

**Gender Issues:** Poor non Lao-Tai women suffer triple exclusion. This is because they are poor, because they are women and because they belong to non Lao-Tai groups. They suffer

from both active and passive discrimination, and all documents on poverty in Lao PDR point out that non Lao-Tai women are the poorest of all. If the CCP/NUSDP does not take strong enough action to work against this triple exclusion via positive discrimination for women, there is a significant risk that by the end of the programme, women's abilities to exercise their rights will not have improved, and gender equality will remain as far off a goal as at the beginning of the programme.

**Other Risks: ??? Commodity prices, perhaps.**