

National Multi-Stakeholder Dialogue on Responsible Agricultural Investment (RAI)

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The implementation of Responsible Agricultural Investment (RAI) in agriculture and forestry sector

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Implemented by



Outline of presentation

- **Overview of policies and promotion for RAI in Lao PDR**
- **Legal frameworks and promotion of RAI in agriculture and forestry sector**
- **Advantages and difficulties of implementing and promoting RAI**
- **Future directions to extend and promote RAI**

1. Overview of policies and promotion for RAI in Lao PDR

- Domestic and foreign investment is one of governmental important priorities. The party and government facilitate these investments by a clear policy in order to promote, protect and manage the domestic and foreign investment aiming to encourage all economic sectors, enhance the economic cooperation with other countries, using financial resources, resources, labors and intelligence to effectively expand production, industrialization and modernization as well as to improve well-being of the people gradually.

1. Overview of policies and promotion for RAI in agriculture and forestry sector

- Investment management in agriculture and forestry sector pays attention to enable environment to attract and manage domestic and foreign investment based on the national socio-economic development plan, agricultural development strategy to 2025 and vision to 2030 and several laws – regulations which are the reference for the implementation. The agricultural development strategy identifies clearly the directions to ensure the food security, potential agricultural production, clean, safe and sustainable agriculture development, proceed industrialization and modernization in relation to the rural development, strengthening the national economic foundation.

2. Legal frameworks and promotion of RAI in agriculture and forestry sector

□ **Laws and regulations related to the implementation and promotion of RAI**

1. Law on investment promotion, No.14/NA, dated 17 November 2016
2. Law on forestry, No.64/NA, dated 13 June 2019
3. Law on agriculture, No. 01/98 NA, dated 10 October 1998
4. Law on the environmental protection, No. 29/NA, dated 18 December 2012
5. Law on grievance redress, No. 05/NA, dated 9 November 2016
6. Law on labour, No. 43/NA, dated 24 December 2013
7. Order No. 09/PM, dated 02 July 2020 on enhancing management of land concession for industrial and crops plantation nationwide

2. Legal frameworks and promotion of RAI in agriculture and forestry sector

□ **Laws and regulations related to the implementation and promotion of RAI**

8. Instructions of Ministry of agriculture and forestry, No. 1758/AF, dated 30/07/2018 regarding to the implementation of Order No. 09/PM, dated 02/07/2018.
 9. Decision on the pesticide management in Lao PDR, No. 2860/MAF, dated 1 June 2010.
 10. Decision on good agriculture practices for environmental management standard, No. 0538/AF, dated 9 February 2011.
 11. Instructions on the consideration of investment approval and mechanism for land leasing/concession for agriculture plantation, NO. 0457/MoPI, dated 27 February 2019.
- And other related laws and sub laws.

2. Legal frameworks and promotion of RAI in agriculture and forestry sector

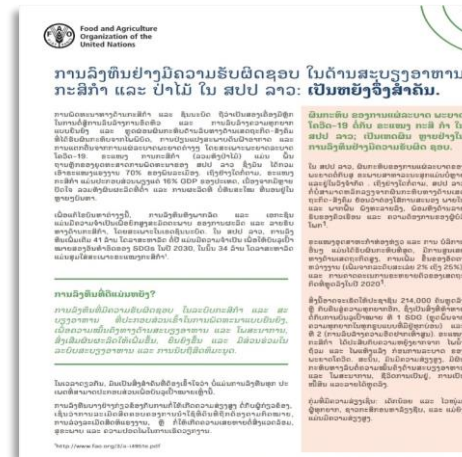
□ Promotion of RAI

- Collaborate with concerned sectors at central level and local levels to monitor, encourage and disseminate laws and sub laws related to investment management in the agriculture and forestry sector to local levels according to the roles of the department and the ministry in every year.
- Work with Food and Agriculture Organisation (FAO) to implement project “enabling environment for responsible agricultural investment (RAI)” 2019-2021, supported by German government. its objective is to promote the implementation of RAI in Lao PDR, which implemented some activities as follows:
 - ✓ Develop the capacity assessment tool which specifically focus on enable environment to use more RAI principles (develop, improve and translate publications, VDOs, questionnaires, etc.) and disseminate in various methods such as trainings, distributions and posts on websites.

2. Legal frameworks and promotion of RAI in agriculture and forestry sector

Implementation and promotion of RAI

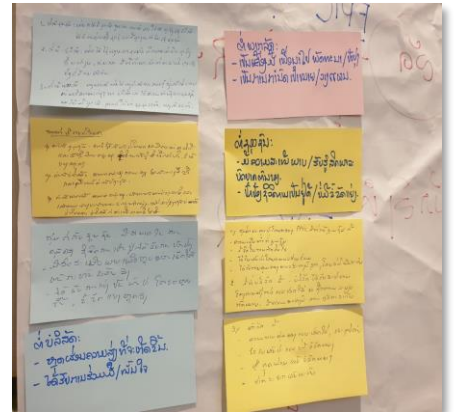
- ✓ Organise capacity assessment workshops with many sectors for officials at central level, entrepreneurs to assess their needs, capacity and priorities of sectors on enabling environment of responsible agricultural and food investment
- ✓ Trainings on RAI for officials of concerned sectors at district level and provincial level. Completed trainings in PakNgun district, Xaythany district, Vientiane Capital and Keo-Oudom district, Hinherb district, Mad district, Fuang district, Vientiane province



2. Legal frameworks and promotion of RAI in agriculture and forestry sector

□ Implementation of RAI

- Work with Centre for Development and Environment (CDE) to assess quality of investment under project of Knowledge for Development (K4D) 2018-2021 to develop methodology, tools and assess quality of state land lease/concession projects, supported by the Swiss Agency for Development and Cooperation



3. Advantages and difficulties of implementing and promoting RAI

□ Advantages

- Revision of laws, sub-laws, procedures and regulations related to the approval of investment through one door service which facilitate, encourage and increase more investors to invest in Laos
- Laws, decrees, regulations and instructions have been disseminated to mobilize and attract investment. The investment responsible committees are established at central level and local level which have staff to work according to their roles.

3. Advantages and difficulties of implementing and promoting RAI

□ Advantages

- Have good collaboration according to the procedure and regulations which the responsible investment committee “CIPM” acts as the focal point to review the investment applications; obtain technical comments from concerned sectors, organizations and stakeholders at central level and local level to consider the requests; conduct meetings of the responsible investment committees to study and consider about the project proposals; the results are submitted to the government to consider for approval according to the laws and regulations.
- Have management mechanism according to existing laws, decrees, instructions and contracts which delegate administrative responsibilities to sectors, agencies at central and provincial level; have collaboration, monitoring, inspection and evaluation; have procedure to resolve and have directions from higher level.

3. Advantages and difficulties of implementing and promoting RAI

□ Weak points/constrains

- Management, monitoring, inspection and evaluation of (periodically) progress of investment enterprises are not extended widely, regularly and continuously. (so cannot collect detail information on advantages, difficulties and feedbacks from investors in order to help and resolve in timely manner). Collection and synthesis of data – information, database management as well as to reports of the investment situation to higher level for timely directions, are not able made regularly and continuously.

3. Advantages and difficulties of implementing and promoting RAI

□ Weak points/constrains

- Coordination based on the delegated rights and duties for management in each level, sector and stakeholder at central level and local level, are not very smooth as it should be, particularly investment related to the right concession from the government
- Survey and allocation of lands are not very well defined in the plans in order to attract investment for agriculture and forestry. (cannot identify borders of concessional lands and cannot provide enough lands as demands from investors)

4. Future directions to extend and promote RAI

- Increase trainings on political ideology, dissemination of policies, laws and regulations related to promotion and management of the RAI to officials who are responsible for the investment management at central level and local level systematically and continuously aimed to make officials nationwide to acknowledge, understand and implement consistently according to the laws and regulations.
- Translate laws by developing and revising regulations, instructions on the investment promotion and management to be relevant to the economic growth periodically so these will be the effective tools for promotion, management, monitoring and encouragement.
- Continue to maintain list of investment and business in agriculture and forestry sector that want to attract and increase private investment domestically and internationally aimed to increase agriculture - forestry products in domestic markets and expand to many more countries.

4. Future direction to extend and promote RAI

- Organize consultation workshops with enterprises systematically and continuously to disseminate directions, policies, laws and regulations, to explain procedure and rules on the investment promotion, to provide information and facilitation to investors.
- Improve mechanism for management, monitoring, inspection and evaluation of the investment performance of the enterprises systemically and continuously in order to identify what are the advantages, difficulties and obtain feedback from investors and communities, then report to higher level to seek for directions and advice to assist in timely manner.
- Collaborate with concerned sectors, organizations and stakeholders at central and local level in order to develop and improve coordination mechanism, working methods, exchange ideas; develop and improve information system, reporting system to be consistent in the whole country so reports of the situation can be done in well-timed as required by higher level.



Thank you!



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