



Weekly news

Oct 7-14, 2024

Highlight on farmers, agribusiness and rural development in Laos



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Phongsavanh Bank partners with DFC, US government Agency to provide credit guarantee support to Lao farmers

VT Times, October 14, 2024

Phongsavanh Bank Ltd, together with US Embassy to Laos, DFC and USAID hosted a signing ceremony for a loan portfolio guarantee agreement between Phongsavanh Bank Ltd and the US International Development Finance Corporation (DFC). The agreement, co-funded by the US Agency for International Development (USAID) and DFC, will provide up to US\$5 million in loan guarantees to support farmers across Laos.

The agreement was signed by Phongsavanh Bank's Deputy Managing Director, Mr Somboun Phongsavanh, and DFC's Regional Managing Director for the Lower Mekong, Ms Maria Goravanchi. The event was witnessed by the Deputy Governor of the Bank of the Lao PDR, Mr Soulivath Souvannachoumklam, and US Deputy Chief of Mission, Ms Michelle Y. Outlaw. Several distinguished guests attended the ceremony, including Vice Presidents of the Lao Front for National Development, Mr Khamlay Sipaseuth and Dr Od Phongsavanh.

This new loan guarantee initiative is designed to expand access to credit for micro, small, and medium enterprises (MSMEs) in the agricultural sector. US Deputy Chief of Mission Michelle Y. Outlaw highlighted the significance of this partnership, stating, "This initiative is not only about supporting individual businesses but also about fostering a more inclusive and resilient economy. By collaborating with local private banks, we are creating sustainable pathways for MSMEs to access credit, benefiting both businesses and the broader economy."

Phongsavanh Bank's Deputy Managing Director, Mr Somboun Phongsavanh, emphasised the importance of public-private partnerships in driving development. "This collaboration demonstrates the potential of public-private cooperation in advancing economic progress. We hope to see more initiatives like this contributing to the growth of Laos," he said.

Phongsavanh Bank has been actively promoting and extending credit through the Lao National Solidarity Fund since 2017. Operating across 44 villages in 29 districts of 11 provinces, the initiative aims to enhance access to finance for rural communities. With strong government backing, the project is set to expand to cover every province in Laos.

Thanks to DFC's financial support, farmers are expected to benefit from reduced production costs,

increased profits, and greater financial stability. Additionally, village funds have established learning centers that provide training on various agricultural practices, such as crop cultivation, animal husbandry, and the planting of fruit-bearing trees and other crops. These efforts aim to strengthen agricultural production, improve food security, and enhance the quality of produce across Laos. Through this credit guarantee agreement, Phongsavanh Bank and DFC seek to bolster community development by providing targeted financing that integrates modern agricultural techniques and scientific knowledge. This initiative aspires to elevate the quality and yield of agricultural products to meet market demand, while creating value-added opportunities for local producers. Phongsavanh Bank, founded in 2007, is a part of the Phongsavanh Group, a leading Lao conglomerate with diversified business operations across sectors such as banking and financial services, logistics, construction, insurance, and trade. The Group is also involved in the import and export of agricultural products both domestically and internationally.

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Laos, Singapore extend cooperation in politics, trade, investment

VT Times, October 14, 2024.

The governments of Laos and Singapore have agreed to continue the rollout of various joint projects they set in motion with the aim of achieving the expected results in the fields of politics, economic affairs, trade and investment.

The intention to pursue cooperation was made clear during an official visit to Laos by Singapore's Prime Minister Lawrence Wong and his delegation to attend the 44th and 45th ASEAN Summits and related meetings, which took place in Vientiane from October 8-12.

The visit was made in response to an invitation from Lao Prime Minister Sonexay Siphandone. The Singaporean Prime Minister came to Laos to enhance the friendship and strengthen the cooperation between the two countries. This was his first visit to Laos since he assumed office as Prime Minister in May this year, according to a press release from Laos' Ministry of Foreign Affairs. The two governments agreed to further promote cooperation in the fields of clean energy, agriculture, natural resources including carbon credit, health and community development, and the development of human resources, tourism and other sectors, as well as cooperation in regional and international development, especially strengthening of the ASEAN community.

The two sides reviewed the outcomes of their cooperation in past years, which they noted has achieved positive results in economic, trade and investment development, as well as enhanced business links and greater support for the education and health sectors.

Mutual support in the regional and international arenas has been facilitated through ASEAN and United Nations frameworks.

The two sides hailed their joint celebration of the 50th anniversary of the establishment of diplomatic relations between Laos and Singapore this year.

Prime Minister Sonexay thanked Prime Minister Wong for his support for Laos over the years, especially during Laos' chairmanship of ASEAN this year, and in providing emergency aid in the wake of recent flooding, saying Singapore had provided valuable and timely humanitarian assistance.

In return, Prime Minister Wong thanked the Lao government and people for their warm welcome and reiterated his intention to strengthen cooperation between the two countries towards further development.

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Laos, India reach new cooperation agreements

VT Times, October 14, 2024

Laos and India have signed seven new bilateral cooperation agreements as the two nations strengthen their relations during the recently held ASEAN-India and East Asia Summits.

A signing ceremony for the agreements was held on October 11 in Vientiane with the presence of Lao

Prime Minister Sonexay Siphandone and Indian Prime Minister Narendra Modi, who joined Lao and Indian senior government officials.

The agreements include cooperation on defence, taxation, audio and visual exchange, a Phralak Phralam performance conservation project, and temple restoration in Luang Prabang.

Projects on traditional performance conservation in Champassak and road improvements in Vientiane are also set to go ahead because of the agreements.

The Indian PM visited Laos last week to attend the ASEAN-India and East Asia summits held during the 44th and 45th ASEAN Summits in Vientiane from October 8 to 11.

While in Laos, the Indian PM met Lao President Thongloun Sisoulith in addition to his bilateral talks with the Lao PM.

During the meetings between the Lao and Indian leaders, the two sides spoke positively about the 68-year record of cooperation between the two countries.

Looking to the future, the two sides vowed to continue maintaining their tradition of friendship while having more exchanges and high-level visits between the two countries and supporting each other on the global stage.

The two countries also agreed to deepen cooperation in areas such as solar energy and promote Indian investment in sectors where Laos has high potential, including agriculture, the processing industry, and cultural and nature tourism.

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Asian leaders agree on green energy plan

VT Times, October 14, 2024

Leaders from the 11 Asia Zero Emission Community (AZEC) partner countries, including Laos Prime Minister Sonexay Siphandone, agreed on a decade-long action plan to achieve net zero carbon emissions, during a meeting held in Vientiane on Friday.

The meeting was chaired by the Prime Minister of Japan, Shigeru Ishiba, with leaders and representatives from 11 partner countries, including Australia, Brunei, Cambodia, Indonesia, Japan, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam, in attendance.

Discussions focused on efforts to develop a clean energy supply chain, with leaders emphasising the importance of creating zero-emission industrial areas.

The meeting highlighted cooperation between the business sector and international organisations to accelerate the transition to green energy, aiming for a sustainable future.

As a key outcome of the meeting, leaders adopted the AZEC Joint Statement, outlining an action plan to achieve net zero emissions over the next decade.

This agreement sets a significant milestone in regional efforts towards environmental sustainability and green energy transition.

Laos is pursuing an energy policy towards prioritising and generating electricity from renewable energy sources.

This is aimed at effective energy development and ensuring an adequate electricity supply, while minimising the impact on the environment, particularly by reducing carbon (CO₂) emissions from thermal power generated by the burning of coal and other fossil fuels.

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Commerce ministry beefs up trade in agricultural products

VT Times, October 10, 2024.

Agricultural products will gain a marketing boost with the introduction of an online sales platform that aims to upgrade delivery services.

This will be achieved under an agreement between the Trade Promotion and Handicraft Department of

the Ministry of Industry and Commerce and HAL Logistics, following the signing of a Memorandum of Understanding on the initiative on Friday.

An official from the Trade Promotion and Handicraft Department said this cooperation in logistics would facilitate both buyers and sellers by ensuring that goods reach buyers promptly.

HAL Logistics currently has 20 service points for goods bought and sold on the platform in 12 provinces and one in Vientiane.

This follows on from the Department of Trade Promotion and Handicrafts' launch in May of an ecommerce platform for Lao agricultural products, supported by the Government of China. The platform aimed to help local farmers access buyers and increase trade in agricultural products. Enhanced ecommerce involving agricultural products includes the creation of platforms that are a useful source of information as well as being a public service. The initiative represents an advancement in the use of information technology and communication in trade and services.

These platforms include www.laoproduct.com.la (for trade within Laos) and www.laoproduct.com.cn (for cross-border trade).

In addition to these platforms, the department has entered into an agreement with a private company to open a product exhibition store to advertise Lao agricultural products on the website www.jd.com, which is a b2c platform. Products such as rice, tea, beer, coffee and others are already advertised for sale on this website.

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Lao tea farmers boost sales and protect the environment by forming a cooperative

VT Times, October 11, 2024

Cultivated in the cool, hospitable climate of the Bolaven Plateau, Pakxong tea is renowned for its unique aroma and taste. It is little surprise then that the tea industry has a rich history in this region of Laos dating back more than a century, when Pakxong tea started gaining recognition alongside the region's already famous coffee.

However, despite this legacy of excellence, tea farmers in and around the town of Pakxong have never had it easy.

Traditionally, most households have operated as informal businesses with limited market access, working long hours under difficult conditions and generally without access to social protection. But things have started to change.

In 2020, a group of Pakxong farmers, with help from international organisations, established the Pakxong Tea Promotion Association to support more than 100 families involved in tea cultivation in Pakxong district. And in 2023, the government took steps to reduce imports of non-essential products, particularly coffee and tea, which should give Pakxong tea farmers improved access to local markets and allow them to sell their tea at a better price.

Now thanks to support from the SOLAR Project – a European Union- funded initiative implemented by the International Labour Organisation (ILO) and Oxfam – the Pakxong tea farmers' association has evolved a step further through its recent transition into a cooperative. Formed in November 2023, the Pakxong Tea Cooperative brings together 87 families in seven villages to produce high-quality organic teas that meet local and international market demand.

This is achieved by cooperative members all adhering to the Lao Department of Agriculture's 25 standard farming practices, which cover everything from soil preparation all the way through to harvesting, and by prioritising organic farming practices that ensure an excellent product while also protecting the local environment.

Head of the Pakxong Tea Cooperative, Sengthong Manixap, underscored the importance of organic production methods and environmental sustainability, but also noted that there is much more to making a great tea than maintaining a plantation of healthy and robust tea plants.

"Processing good quality tea involves several key steps to ensure the flavour, aroma and overall quality of the tea leaves are preserved," he noted as he strolled through the small work area at the rear of his farm. "Some of the key points of making good quality tea include harvesting, withering, rolling,

oxidation, drying, firing, sorting, and also packaging.”

With so many steps involved in creating the black, red, white and green teas produced by the cooperative, members undergo extensive training on tea processing techniques across the entire production pipeline.

All new members undergo a 20-month evaluation period to ensure their products meet the cooperative’s standards before becoming certified organic producers. By coming together as a collective – and previously as an association – the tea farmers of Pakxong have been able to create a united effort to market and promote their teas, and thereby overcome previous awareness challenges to drive ever-growing sales.

“Some years ago, almost no Lao people drank Lao tea,” Sengthong recalled, “but today many restaurants and hotels in the country buy tea from us, and I believe that in the future we may not be able to produce enough, especially in the dry season, because the number of orders is steadily increasing.”

With annual production exceeding 20 tonnes, the cooperative sells its tea at competitive prices in both local and international markets.

Now they are looking to capitalise on this success by seeking additional funding to enhance production capacity and quality through technology upgrades, better processing equipment, and greenhouse facilities for the rainy season.

Already through support from the ILO, the cooperative has received essential equipment such as solar-powered lights, drying racks, tea leaf rolling machines and protective gear. This support has not only boosted productivity, but has also helped to ensure the safety and well-being of farmers during their work.

“Security and safety are very important for farmers because a family usually has only two workers. If there is an accident, it means they lose some of their income,” Sengthong said. He added that, in the past, many farmers did not pay enough attention to safety or wear any gear to protect themselves, so injuries were commonplace.

Now, under the SOLAR Project, almost every month the farmers participate in a training session on occupational safety and health, as well as related areas like social security, gender equality, disability and social inclusion. With things looking increasingly positive for the cooperative, Sengthong is now starting to look beyond the immediate needs of members to the more distant future of the Pakxong tea industry.

“I believe that the best investment is to invest in young people,” he said. “I hope that if young people become more interested in this business, then Lao tea and coffee will become famous worldwide.”

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Lao Securities Commission Office, the Grand Duchy of Luxembourg and the Global Green Growth Institute partner to drive sustainable finance instruments in Laos

VT Times, October 11, 2024.

The Lao Securities Commission Office (LSCO) and the Global Green Growth Institute (GGGI) on Thursday signed a Memorandum of Understanding to boost sustainable investment through the “Accelerating Corporate Thematic Bond Issuance in the Lao PDR” project.

This collaboration, backed by the Government of the Grand Duchy of Luxembourg’s Global Trust Fund on Sustainable Finance Instruments, aims to bolster green financing by facilitating the issuance of thematic corporate bonds, particularly green bonds.

The project is pivotal in advancing Laos’ commitment to achieving its Nationally Determined Contribution under the Paris Agreement.

Through this partnership, the LSCO and GGGI will support interested Lao corporations to undertake preparatory technical activities for an initial corporate green bond issuance, in alignment with the Lao government’s broader drive towards establishing a robust green financing system within the country. Also, it aims to unlock the flow of private capital towards green and climate projects.

Acting Governor of the Bank of the Lao PDR, Mrs Vathana Dalalay, expressed confidence in the initiative.

“Support for enhancing sustainable finance and thematic bond issuance has always been a key priority of the Lao Securities Commission Office. We are thrilled to collaborate with the Government of the Grand Duchy of Luxembourg and the Global Green Growth Institute on this project, which will activate the thematic bond issuance ecosystem,” she said.

Deputy Prime Minister, Minister for Foreign Affairs and Foreign Trade, and Minister for Development Cooperation and Humanitarian Affairs of Luxembourg, Mr Xavier Bettel, highlighted the longstanding cooperation between Laos and Luxembourg.

“As a leading global hub for sustainable finance, Luxembourg recognises the vital role of green financial instruments in channeling investment towards initiatives that support the global climate agenda,” he said.

“Laos has been a valued partner of Luxembourg’s Development Cooperation for many years, and I am pleased that, by working together with the GGGI, we are able to expand and deepen our collaboration in the area of green bonds, reflecting our shared commitment to a more sustainable future.”

Country Representative of GGGI Laos, Mr Rowan Fraser, highlighted the broader impact of the initiative.

“Laos’ climate targets cannot be achieved with public financing alone - private capital is an essential component. GGGI is pleased to assist the government’s efforts to crowd in and channel private funds towards the green transition.”

“For several years, the Global Green Growth Institute has been working in Asia and Latin America to support thematic bond issuances and we are pleased to bring that support to Laos also,” Mr Fraser said.

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RiceMoRe launch: Pioneering digital transformation in Vietnam’s agriculture sector

cgjar, October 14, 2024.

Mr. Dang Duy Hien from DTS emphasized the importance of leveraging data platforms to enhance agricultural competitiveness. With more than 73% of the population accessing and using the internet, Vietnam ranks 63rd globally in digital transformation. As the third-largest e-commerce market in Southeast Asia, contributing 20% to national GDP, the country is well-positioned to capitalize on its growing digital economy. However, challenges like fragmented data management systems, underdeveloped IT infrastructure, and limited digital skills in rural areas remain obstacles to the adoption of digital tools in agriculture.

RiceMoRe is a digital rice activity monitoring and reporting system co-developed by the International Rice Research Institute (IRRI) and the Department of Crop Production (DCP). By leveraging IRRI’s technical expertise and responding to DCP’s specific needs, the system was designed to align with Vietnam’s goals of reducing greenhouse gas emissions and enhancing the sustainability of its rice value chains. The launch of RiceMoRe represents a major step forward marking the effort of MARD in addressing these challenges. RiceMoRe demonstrates near-real-time tracking and streamlined reporting across multiple management levels. The system has been transferred to MARD and is currently under the management and operation of the DTS and DCP. RiceMoRe development began in 2018 and the system was improved and piloted from 2019 to 2024. RiceMoRe is a robust web and mobile application designed to be user-friendly while maintaining the existing reporting structure to avoid adding workloads for local officials. RiceMoRe supports aggregate observed data collection for national mitigation commitments, while the FarMoRe application assesses performance at the farm/field-level and supports monitoring progress of sustainable, and low emission projects.

RiceMoRe was officially launched with representatives from DTS, DCP, IRRI, and the New Zealand government, who were instrumental to the system’s development.

New Zealand Consul General Scott James expressed pride in New Zealand's partnership with Vietnam and emphasized RiceMoRe's role in advancing the efficiency and transparency of rice production management. Dr. Bjoern Ole Sander from IRRI echoed this sentiment, commending Vietnam's leadership in digital agriculture and climate action, calling RiceMoRe a testament to the country's forward-thinking approach.

The launch of RiceMoRe marks a significant milestone in the digitalization of Vietnam's agriculture sector. With its ability to support near real-time rice management, RiceMoRe is currently being scaled nationwide. Continued collaboration between government bodies, private sector actors, and international partners will be essential in building a resilient and sustainable future for Vietnam's agriculture.

<https://www.cgiar.org/news-events/news/ricemore-launch-pione...>

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Lao People's Democratic Republic

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