

TRADE, ENVIRONMENT AND
SUSTAINABLE DEVELOPMENT ISSUES

Discussion Paper 2

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Lao Organic Agriculture Forums

Organized by UNCTAD in collaboration with
Government of Lao PDR under the project on
"Enhancing sustainable tourism, clean production and export capacity in Lao PDR",
of the UN Inter Agency Cluster on Trade and Productive Capacity project

1. Objectives of the Forum

The formulation of a national strategy and action plans on organic agriculture is well recognized as an important instrument for facilitating national organic agriculture development. It is also recognized that the development and implementation of such plans is based, inter alia, on public-private partnership and regular dialogue among stakeholders on agriculture and related policies, experiences and information.

With this in mind, as part of its contribution to enhancing sustainable tourism, clean production and export capacity in Lao PDR, UNCTAD with the support of the Government of Lao PDR organized three Lao Organic Agriculture Forums (LOAF), namely:

- LOAF 1 in Mercure Hotel, Vientiane, Lao PDR, 23 March 2012;
- LOAF 2 in Luang Prabang Provincial Agriculture and Forestry Office, Luang Prabang, Lao PDR, 10–11 December 2012; and
- LOAF 3 in the Ministry of Agriculture and Forestry, Vientiane, Lao PDR, 14–15 July 2014.

The three forums involved relevant public agencies and a wide range of private sector actors, including producer organizations, trader associations, environmental groups, research institutions, and consumer associations. These were identified by UNCTAD in collaboration with the Government, the project coordinator and an NGO working with UNCTAD to advance the implementation of the project in the field. All three LOAFs had common objectives, namely:

- To update participants on the national situation of organic agriculture development in Lao PDR and analyse the current status of the sector at the time of each LOAF;
- To facilitate information sharing among civil society, as well as the public and private sectors in Lao PDR on:
 - Organic agricultural development;
 - Successful Lao organic businesses experiences; and
 - Traceability, standards and linkages with the tourism industry in the country.

- To strengthen the national organic sector and support the development of organic agriculture in Lao PDR;
- To share with participants the experiences of organic agriculture development in other countries; and
- To discuss concrete activities which could be adopted by stakeholders to promote further the development of organic agriculture in Lao PDR.

2. Issues emerging from the Forums

a) The first LOAF:

Discussions identified four priority issues for both the private and the public sectors that would also be later reassessed at the following LOAFs.

Regarding the private sector, the main suggestions were:

1. Ministry of Agriculture and Forestry (MoAF) and Ministry of Industry and Commerce (MOIC) to support special markets to sell organic products (fresh and processed products), appropriate locations; and
2. Make technical information available in different places (provincial level) both on organic agriculture as well as transparent export process and possible "one stop service" for export.

Regarding the public sector, the main suggestions were:

1. Clear strategies and policies to promote organic agriculture (especially on the extension services, organic standards, zoning and human resources within the public sector); and
2. Market access for organic products (domestic and export) be developed.

b) The second LOAF:

- Emphasized the respective roles that need to be taken by Government and the private sector, in order to achieve the national development goals of structural adjustment and economic transformation.

- Described the challenges of designing and implementing industrial policy and the opportunities for organic agriculture such as the need for:
 - Demand inducing policies to be put in place as the same time as supply promoting ones, in relation to boosting the linkages between the organic agriculture and tourism sectors in Laos; and
 - Partnerships between the Government and the private sector, with each playing their distinct and separate goal.
- Facilitated the sharing of experiences among public agencies and private enterprises active in organic production and marketing.
- Evaluated the status of agricultural external services. It was found that these providers could not expand their services to meet the existing demand due to limited human resources.

2. Weak logistic and technological know-how on processing and packing; and
3. Limited market access for Lao organic products both in domestic and export markets.

As part of its main objectives of disseminating knowledge, expertise and lessons learned, the LOAF reflected on the Thai experience to show the important role of the private sector in developing the organic value chain and the farmer extension system.

An expert from Uganda also highlighted the crucial role played by the national private association in the country (National Organic Agricultural Movement of Uganda, NOGAMU) in the development of the organic sector in the country. Their expertise showed that such development was reached through the establishment of a private certification body, regional organic standards (i.e. the East African Organic Product Standards), the collaboration between international agencies and the private sector, and the supportive role of the government.

Lao PDR has already established supporting services to the organic agriculture value chain, such as organic certifications and training activities through demonstration farms that are provided by the Department of Agriculture (DoA). In turn, this department is using lessons learned from the Japan International Cooperation Agency's (JICA) on-going project on organic agriculture development in Lao PDR, which focuses on developing a national strategic plan and on improving organic certifications and the training services provided by the DoA.

Setting apart the organic agriculture value chain and its linkages and development with the tourism sector, the LOAF also looked into further enhancing benefits arising from the value chain by discussing the potential role of bioenergy. In particular, discussions focused on using the rice straw and husk in the rice milling process as raw materials for the production of bioenergy.

Finally, the Forum also served to raise awareness on the unfair trade practices in the organic and ecotourism sectors and their effects on small-scale producers and small and medium enterprises. UNCTAD experts pointed to the existence of such unfair trade practices in the areas of production

c) The third LOAF

The third LOAF reviewed the Lao PDR organic value chain and the experiences so far. In doing so, it reflected on the impact the two previous LOAFs had had and covered examples such as:

- a) The public-private collaboration project to promote organic vegetable productions in Luang Prabang;
- b) The small-scale producer association for coffee in Champasak;
- c) The organic silk and mulberry tea production in Sekong and Vientiane Capital;
- d) The organic rice and tea in Sangthong and Paksong;
- e) The retail shop selling organic products in Vientiane Capital.

It was noted that despite all these accumulated experiences, limited knowledge was still seen as the main constraint for further development of organic agriculture in Lao PDR. Participants identified three areas of weaknesses that need to be addressed to strengthen the organic agriculture value chain:

1. Shortcomings in the extension system of agricultural technicians who work with independent small-scale producers producing raw materials for the project;

standards, trade and business agreements and in the enforcement of contracts.

3. Knowledge pooling and sharing via the Forum:

During the life of the project and work on organic agriculture, a stock of policy and technical material and information provided by UNCTAD, other international agencies and countries, as well as Laotian stakeholders has been built up.¹ This stock of information can be of interest to policy formulation and private sector intervention in organic agriculture in Lao PDR. The range of issues provided during the LOAFs included the following:

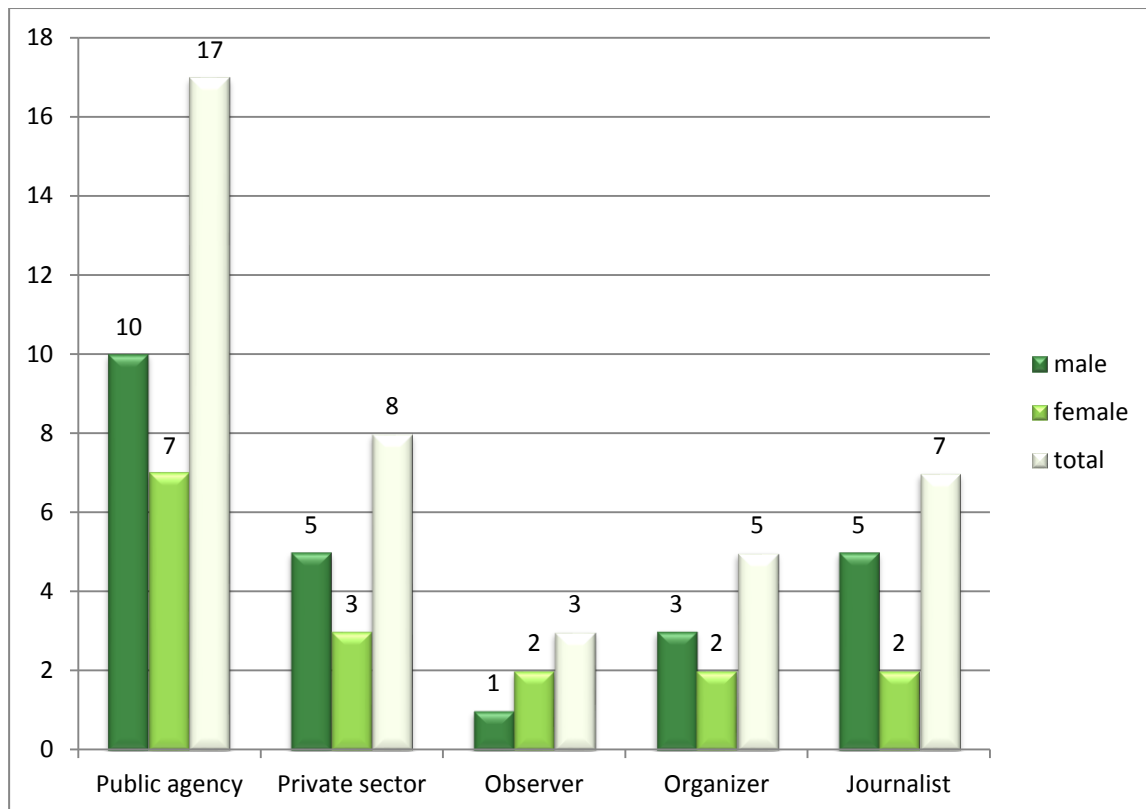
1. Sustainable development and organic agriculture;
 2. The situation of organic agriculture in Lao PDR;
 3. Organic agriculture and sustainable agriculture associations in Lao PDR;
 4. Organics in particular regions of the country and experiences in the field;
 5. Certifications for organics in Lao PDR;
 6. Link between organic agriculture and tourism;
 7. Organic agriculture experiences in other countries and lessons learned; and
 8. Implementation practices in the field.
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Table 1. Impact of Lao organic agriculture forum

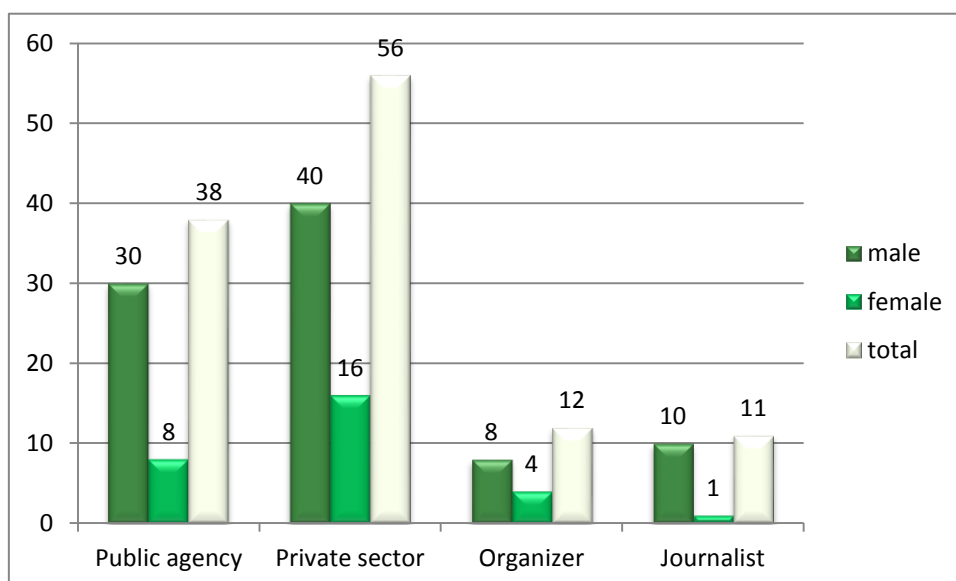
Objective	What was accomplished
Update participants on the national situation of organic agriculture development and analyse the current status of the sector	<ul style="list-style-type: none"> • Evaluation of the status of agricultural external services; • Review of the national organic value chain; • Identification of weaknesses to be addressed in the organic agriculture value chain; • Presentation of organic agriculture and sustainable agriculture associations in the country; • Review of certifications for organics in Lao PDR.
Facilitate information sharing among civil society, public and private sectors	<ul style="list-style-type: none"> • Experience sharing among public agencies and private enterprises active in organic production and marketing; • Experience sharing on supporting services; • Experience sharing on the respective roles of the different actors and the required collaboration.
Successful Lao organic businesses experiences Traceability, standards and linkages with the tourism industry	<ul style="list-style-type: none"> • Review of experiences in the national organic value chain; • Presentation and experience sharing in Lao PDR: <ul style="list-style-type: none"> - Public-private collaboration project to promote organic vegetable productions in Luang Prabang; - Small-scale producer association for coffee in Champasak; - Organic silk and mulberry tea production in Sekong and Vientiane Capital; - Organic rice and tea in Sangthong and Paksong; and - Retail shop selling organic products in Vientiane Capital. • Identification of challenges and opportunities; • Discussions and review of supporting services: organic certification and training activities through demonstration farms.
Strengthen the national organic sector and support the development of organic agriculture in Lao PDR	<ul style="list-style-type: none"> • Identification of priority issues for private and public sectors; • Discussions on actions that need to be taken and by whom to achieve national development goals; • Identification of challenges and opportunities of designing and implementing industrial policy.
Share experiences in other countries	<ul style="list-style-type: none"> • Presentation and discussions on the Thai and Ugandan experience; • Use of lessons learned from the Japan International Cooperation Agency.
Discuss activities which could be adopted to further promote the development of organic agriculture in Lao PDR	<ul style="list-style-type: none"> • Based on experiences in other countries, participants discussed collaborating in: <ul style="list-style-type: none"> - Expansion of LOMA membership to include key organic enterprise in Lao PDR; - Promotional activities, for example offering organic coupons for free or discounted meals in restaurants in Luan Prabang; - Awareness activities, such as a national Lao organic fair,

- integrating market fair and seminars;
- Compiling a Lao organic directory of organizations working to promote organic agriculture in Lao;
- Working to establish close collaboration with organic trade associations in the region.
- Targeted discussions in parallel workshops also suggested:
 - Control on imports of organic inputs and products;
 - Create a better coordination point among public agencies;
 - Set up financial and tax measures favourable to organic businesses;
 - Facilitate and streamline the project approval process;
 - Strengthen the:
 - i. control of the advertisement and sale of organic inputs,
 - ii. independent organic certification body; and the
 - iii. implementation of the internal control system (ICS).
 - Support for a national association of organic businesses;
- Proposals on education or technical college's curriculums on organic farming;
- Establishment of a national day on organic farming;
- Promotion among consumers of the benefits of organic agriculture on the social, economic and environmental dimensions;
- Proposal for premium prices for organic products and inputs;
- Discussion on further enhancing benefits from the organic agriculture value chain through bioenergy:
 - Potential use of rice straw and husk in the rice milling process as raw materials for the production of bioenergy.
- Awareness raising on existing unfair trade practices in the organic and ecotourism sectors and their effect on small-scale producers and small and medium enterprises.

Graph 1: Participants in LOAF 1



Graph 2: Participants in LOAF 3



4. Participants in the Forums

Overall, 222 participants participated in the three forums organized, with 40, 65 and 117 participants respectively. Both the public and private sector were represented in all meetings, that also included participants from civil society and the media (see graphs 1 and 2).

5. Evaluation and Feedback on the LOAFs

Participants were asked to evaluate the organization of the LOAFs. For LOAF 3, participants graded the overall programme with a grade of 85% out of 100%. It was thus a success.

UNCTAD and the Government of Lao PDR were strongly encouraged to follow-up on the LOAFs and to carry out similar meetings more often (possibly twice a year). Feedback also suggested enabling English translation for foreign and local participants in future meetings and having more time for discussions after presentations. Participants further suggested to:

- a) Follow-up with a concrete and prioritized plan of action → UNCTAD, and the UN Cluster under the project, should encourage and support active stakeholders' involvement to organize follow-up actions to address the identified issues in the forums. Since there were many issues raised, the very first action would be to group and prioritize them according to the importance and urgency for the expansion of the organic sector in Lao PDR. With these priorities, a short- and medium-term plan of action could be developed to address these challenges and obstacles. It would be helpful if UNCTAD could support the implementation of this action plan, partly or wholly, by itself or through collaborations with other UN Cluster agencies as well as other international development agencies active in Lao PDR.
- b) Enhance farmer participation in the meetings (although participants recognized that there

was a balance between the public and private sectors present in the LOAFs).

- c) Organize informal workshops for the private sector prior to the LOAF to consolidate their inputs in advance.

6. Conclusion

The Lao Organic Agriculture Forum has evolved to be a major aspect of the continued development of sustainable agriculture practices in Lao PDR. They act as a platform to raise awareness and understanding on the statement of organic agriculture development in Lao PDR, among policy makers, private sectors and farmers. Such deliberations can support policy formulation and change, enhance private sector involvement, and also identify areas of improvement where further actions can be taken by the UN and donor community.

Notes

¹ All information can be accessed at <https://sites.google.com/site/organiclao/home>;
<https://sites.google.com/site/organiclao/lao-organic-agriculture-forum>, and
<https://sites.google.com/site/organiclao/lao-organic-agriculture-forum>.
