



RLED-EWEC FACT SHEET

PROGRESS & RESULTS IN LAO PDR
2013 – 2018

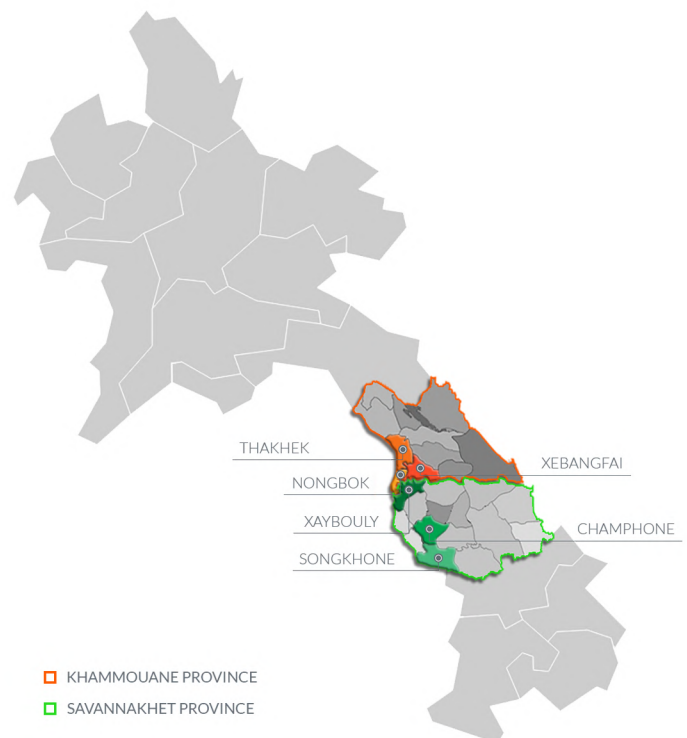


INTRODUCTION

Since 2013, Mekong Institute and the Swiss Agency for Development and Cooperation (SDC) have been implementing the **Regional and Local Economic Development-East-West Economic Corridor (RLED-EWEC) Project** in Khammouane and Savannakhet provinces, Lao PDR with a focus on the rice sector. In its more than five years of implementation, the Project's experience in facilitating Good Agricultural Practices (GAP) standardization among farmer groups has offered significant lessons for future scaling up to a wider group of beneficiaries.

RICE VALUE CHAIN DEVELOPMENT

- 21** GAP groups established in Khammouane and Savannakhet provinces
- 2,389** farmers reached (trained and received services)
- 829** rice farmers increased their household incomes
- 8** rice millers improved business services and market access and earned additional profit of \$199,505
- 1st** GAP-certified rice farmer groups in the country and convinced the national government to extend validity of certificate to two years
GMP-certified rice mill in the country



The Project has carried out numerous trainings, workshops, structured learning visits and farmer group meetings to catalyze the formation of farmer groups and improve farming practices through better cultivation techniques. Through contract farming arrangements, farmers received access to quality inputs and a higher value market price and secured market for their produce.

In **Khammouane**, some 829 farmers increased their income to an average of \$414 per household (about 27 percent increase from the baseline income), with the total additional income of households amounting to about \$261,079 in 2017. Four farmer groups with 81 households also became the **first GAP-certified rice farmer groups** in Lao PDR. This GAP standardization is now being scaled up to 15 farmer groups of some 315 households in the villages in Nongbok and Thakhek districts. Such efforts on GAP promotion continued through the project phase out. Between August 2017 and December 2018, the Project has financed GAP certification of 171 farmers, covering eight farmer groups and a total of 272.30 hectares. However, the number of farmer groups and households were disproportionate with the volume of production due to crops damaged by heavy floods in the wet season.



The Project's technical assistance was also instrumental in helping Vanida Rice Mill secure its **Good Manufacturing Practices (GMP) certification**, making it the first ever rice processing facility in the country to receive certification.

Rice millers play a significant role in integrating production improvements and opening up market opportunities for farmer groups.

The Project currently works with rice millers who act as key input suppliers and direct buyers for more than 900 smallholder farmers (GAP and non-GAP farmer households alike) in Khammouane Province. Mr. Bounmy Khamanyong, owner of Bounmy Rice Mill and one of the Project's rice mill partners, supports farmers by providing them seeds on cash or credit arrangement. He finds working with farmer groups more convenient as it is easier to coordinate the supply of inputs and outputs and the introduction of production techniques or market requirements.

At the community level where farmers have limited access to both production inputs and markets, this kind of business linkage makes it possible for farmers to have access to certified rice seeds for a better yield while saving them time and costs of input supplies.

Another milestone was the **extension of validity of GAP certificates** following a meeting with the Ministry of Agriculture and Forestry (MoAF) in September 2018. Formerly one-year validity, certificates are now valid for a period of two years for nationwide issuances.



In **Savannakhet**, the Project's successful work with the farmers has also resulted in the integration of the intervention in a government-led food security project. This integration has helped expedite the progress in the preparation and application for GAP certificates, as well as the formation of four additional farmer groups with 96 members in Champhone district for the 2018 wet season.

Expansion of the GAP standardization is also now being explored, with the project targeting 10 farmer groups comprising of 162 households in the districts of Champhone, Songkhone and Xaybouly in Savannakhet. MI and the Savannakhet Provincial Agriculture and Forestry Office (PAFO) are collaborating on this initiative, with MI providing training package and field supervision, and the Savannakhet PAFO covering the fees for the GAP certification and audit as well as technology transfer.



These activities support the overall objective of the Project as well as SDC's 2018-2021 strategic orientation and cooperation priorities on agriculture and food security in the country through the improvement of livelihoods, quality of agricultural education and productivity of smallholder farmers.



CROSS-BORDER TRADE FACILITATION



The Project also supports the creation of a better enabling environment for cross-border trade through enhanced transparency in the implementation of regulations, procedures and import and export fees. It has successfully facilitated the adoption of a policy in 2017 that removes checkpoints along the route (Asian Highway No.9) in Savannakhet province.

In August 2018, Savannakhet joined the **Business to Government (B2G) Dialogue** with the border provinces of Quang Tri, Vietnam and Mukdahan, Thailand. The first of its kind of business to government exchange across the three provinces, it resulted into a Memorandum of Understanding that the provincial governments of Savannakhet and Mukdahan have agreed to sign.

Two **structured learning visits** were also organized in November and December 2018, bringing government officials from provincial departments working in trade promotion and facilitation, to the provincial border gates in Savannakhet and Khammouane and to the First Lao-Thai Friendship Bridge International Border (Vientiane-Nongkhai). These learning visits were directed at creating a better understanding of the

implementation of regulations on procedures and fees and the management of the flow of goods and people, and showcasing good practices that can be applied in their own borders. The working groups are now in the process of designing signboards and informational materials that will provide more comprehensive information on the regulations, procedures and fees at the borders.

Similarly, in January 2019, business representatives from Khammouane and Thailand's Nakhon Phanom province sat down in a **Business to Business (B2B) Meeting** to discuss CBTF challenges and suggested solutions to be later presented to government partners in a separate B2G Dialogue in April 2019.

These CBTF initiatives are well aligned with SDC's cooperation priorities to promote open access to socio-economic information and platforms for policy dialogue and evidence-based decision making approach.

More information about the RLED-EWEC Project: <http://www.mekonginstitute.org/what-we-do/ongoing-projects/rled-ewec-project/>

