

## sSWG ABD

### *sub sector -Working Group on Agrobiodiversity*

---

#### Meeting Nr. 1:

---

- Date: 20/9/2013
- Location: Lao Plaza
- Participants: 36 persons:
  - GOL: 10 persons
  - IDA/UN: 7 persons
  - IO/Projects: 13 persons
  - NGOs/NPAs: 7 persons
  - Research and Education: 3 persons
- **Chair:** Mr. Savanh Hanephom: DDG, DoP, MAF (assisted by Vice Minister Parsaisk\_)
- **Co-Chair: SDC:** Dep Country Director, Dr Liliane

#### 1: The scope of ABD:

"the variety and variability of **indigenous animals, plants and micro-organisms**.....used for.....**food, agriculture and livelihoods**..... including **crops, livestock, forestry and fisheries**..... diversity of genetic resources used for **food, fodder, fiber, fuel and medicine**".

#### Comments:

- 1.1: propose to include "*the ecosystems and multifunctional landscapes that contain these ABD*"
- 1.2: propose to include species that (a) have become endogenous in Lao e.g, chilli, or (b) their cultivation is favoured by smallholders in MFLs, eg coffee ??

#### 2: Specific Objectives of sSWG

- i. To provide a platform for technical discussion about the **socio-economic importance and potential of agro-biodiversity** for food and nutrition security, traditional and commercial agriculture and value chains in Lao PDR.
- ii. To facilitate capitalization of experience, **review of lessons learned.**
- iii. to **identify and recommend policies and processes** for promoting the development of ABD-based livelihoods in a way that will empower smallholders and support sustainable local economic development.

---

PS: Most presentations from previous meetings of sSWG-ABD are available thru "[www.tabi.la](http://www.tabi.la)"

---

---

## Meeting Nr. 2:

---

- Date: 10/6/2014      ``Location: MAF
- Chairs: Mr Savanh hanephome, DDC DOPC, MAF, and  
Dr. Liliane Ortega, Deputy Country Director, Swiss Development Cooperation

### **Topic 1: Crop ABD: “Lao rice biodiversity, its use in rice breeding, and certified/GI seed production of *KhaoGaiNoi* Rice”, by Dr Chay Bounphanouxay, Director, Rice Research and Production Project, Naphok ARCr, NAFRI MAF**

#### **1.1: Objectives:**

- (i) to provide practitioners and stakeholders with an understanding of the status of Lao rice genetic resources maintaining, both in and ex-situ,
- (ii) to present and discuss an action plan and budget for the development of a certified seed production system (breeder to commercial) for specific Khao Kai Noi rice cultivars, including the "certified seed growers" organisation required, and policies required to facilitate and control such a system.

#### **1.2: Main issues and recommendations:**

- The large collection of indigenous rice accessions and the 5 wild rice's, are stored at NARC and IRRI, and selected accessions regenerated (annually).
- Natural conservation areas (in-situ) of wild rice seem to be inadequate.
- While various local varieties have been selected for promotion, none of the 30 new cultivars breed and released since 1994 include Lao cultivars as parents – but this is now changing.
- *Khao Kai Noi* ('little chicken rice') is a tropical Japonica now being purified and selected in XKH and HPN - the aim to develop a certified seed production system used by the bulk of growers in these 2 Provinces: starting with mother/R1 seed on GoL stations thru to R3 produced by "seed producers association". Is it necessary to take this through to "GI standard".

### **Topic 2: Forest ABD: “Status, Utilization, Management and Development of Medicinal Plants in the Lao PDR”, by Dr Kongmany Sydara, Director, Institute of Traditional Medicine, Ministry of Health**

**2.1: Objectives:** To provide an overview of the forest-based medicinal plants sector, and an analysis of the key issues facing some of the more important or endangered species.

#### **2.2: Main issues and recommendations:**

- Big Need to develop or revise the policy for providing the quota of harvesting of natural resources.
- Need to revise or update laws and regulations in order to check their usefulness and their weakness (AEC in 2015: TMHS, regulation of Producers and Products)
- Need to develop strict enforcement of laws and regulations by local people, registered private operators, regulatory authorities (regulation of industries and products)
- Need to manage and promote the effective and sustainable cultivation, extraction, production and use of MP, including through discussion with private operators.
- Need to educate public on importance of conservation of MP resource for future generation

---

## Meeting Nr. 3:

---

- Date: **19/12/2014**
- Location: Department of Forestry, Tart Dam, Vientiane
- Chairs: Mr Somphan, DDC DOPC, MAF, and  
Dr. Liliane Ortega, Deputy Country Director, Swiss Development Cooperation
- Participants: 35 people participated, including representatives from:
  - GoL: MAF (DoF, DEAC, DALAM, DoPC, NAFRI), MONRE, MOIC, MOST, NUOL
  - DPs: SDC, UNDP, WWF, Helvetas, SUFORD, GRET, WCS, SNV, JICA
  - PS: Agroforex
- Theme/Objective: **Taxes, Duties and Fees in the Value Chain of selected, exported NTFPs**, and their impact on the feasibility of promoting Lao ABD as a driver for uplands development.

**Topic 1:** “**Taxation of FSC rattan Eastern basket production in 2014**”, presented by Bouavanh Phachomphonh, the Sustainable Rattan and Bamboo Harvesting and Production Project (FRC and WWF)

The presentation was given in 5 main parts, as follows:

- i. Explanation of the Rattan project, details on the Harvesting Plan and Contracts;
- ii. Details on the taxes and fees applied to rattan cane and products;
- iii. A comparison of the taxes and fees with the actual cost of rattan harvesting and production, and thus the benefit (income) sharing from this FSC basket production;
- iv. The challenges faced due to these multiple and high taxes, including:
  - low interest of SME to be involved;
  - low benefit compared with non FSC rattan, and
  - far too much paperwork.

**Topic 2:** “**Issue of administration and taxation as applied to Forest Products**”, by Mr Francis Chagnaud, Agroforex Company

This presentation had 4 main parts, as follows:

- 1:** Background and explanation of the Agroforex company.
- 2:** Explanation of main regulations governing (i) the trade, and (ii) the taxation of Forest Products (NTFPS), and it was noted that these regulations are often ‘in theory only’.
- 3:** An explanation - with examples - of the reality of application of these regulations, in practice, which are often inconsistent and sometimes not even following the regulations, which is hindering the sustainable and productive development of this sector.
- 4:** the consequences of this situation, and proposals to address, which included:

**Topic 3:** **Taxes and fees in the promotion of sustainable bamboo based value chains Houaphanh Province:** by Jeff Kibler, GRET

The presentation was given in 5 main parts, as follows:

- i. The background to the project to promote sustainable bamboo value chains;
- ii. Explanation of four bamboo value chains: (a) ‘Mai khom’ (bitter bamboo) shoots for domestic market, (b) ‘Mai hok’ dried bamboo shoots for Vietnamese market, (c) ‘Mai

- khouane' slats & stick for Vietnamese market, and (d) Bamboo handicraft for domestic market;
- iii. Explanation of how fees to villages contribute to create the conditions for sustainable bamboo value chains;
  - iv. Proposals to find the balance between 'trade taxes' and 'fees to villages', and land taxes, for promoting sustainable bamboo value chains; and

### **Issues raised during discussion**

- i. Laos is rich in NTFPs, many specific to Laos and very valuable, but this is being lost thru over harvesting and conversion of forests to other uses;
- ii. When the AEC is started, Laos is not prepared, then it may lose a big opportunity to valorize Laos originated NTFP - foreign companies may claim a Laos NTFP as being there own.
- iii. Villagers are the ones who have protected NTFPs so far, and they have a valuable knowledge of NTFP, so must be fully consulted and involved;
- iv. Traders and companies need to have guarantee of NTFP supply for long term investment;
- v. Need to ensure the quality of NTFP products and this could include 'food & health certification' ...because when bad quality NTFP is exported, image of Laos which is affected.
- vi. organization at village level should consider the village administration (who should be in charge of the sustainable use of the forests) and the NTFP producer groups (in charge of making business with NTFP);
- vii. Fees to village producer groups for organizing sustainable NTFP management and trade, paid by traders or companies to the village producer groups, are "key" for allowing long term organization for sustainable forest management and NTFP-based business;
- viii. **Different types of taxes and fees are placed in NTFPs, such as:**
  - Resource fee, fee for quota (pad to PAFO)
  - Licence (for SME)
  - VAT
  - Profit tax
  - Export tax
  - Land tax on communal land has also been mentioned
- ix. **Tax policies and rates differ between districts, provinces, national**
  - the Law on tax is not so bad, but is often not known/applied at Province or District level;
  - Provinces.Districts have different rates of taxes, without clear explanation/rationale;
  - sometimes, companies have to pay taxes at both local and national level; and
  - PAFO, DIC, Finance should work together for building proposal for taxation on NTFP.
- x. **How to attract informal traders - who evade taxes etc - into the legalized sector ?**

MOIC proposed that the only way to resolve this issue is to improve the law, via the National Assembly. Part of this development of improved legal framework would be a review of experiences and issues, such as raised at today's meeting.

**Mr Somphanh Chanpenxay, MAF** : It is up to the Secretariat to find ways - a roadmap - on how to resolve these issues ! Thus, need to put all the information together, and develop firm proposals for approval - a multi Ministry task - and then send to the GoL and NA for consideration.