

# Agricultural Cooperatives Development in Lao PDR

Paper for 24<sup>th</sup> ACEDAC and 19<sup>th</sup> ASWGAC Meeting on 16-19 May 2017,  
Vientiane capital, Lao PDR

Presented by: Dr. Sengpaseuth Rasabandith  
and team

of Group Extension, Cooperatives and Agribusiness , DAEC, MAF

# Contents

- I. Policy and Strategy for Promoting ACs in Laos
- II. Institutions and database of the ACs in AMS
- III. National programs/initiatives for ACs development
- IV. Challenges in ACs development
- V. Recommendation for regional Cooperation

# I. Policy and Strategy for Promoting ACs in Laos

- Prime Minister of the Lao PDR decrees no. 136/PM (Decree on Cooperative), 05 March 2010;
- Agreement of the Minister Regarding Agricultural Cooperatives no. 2983/MAF, 25 September 2014;
- In reference to the proposal 1954/DAEC, 16 June 2014 of the Department of Agriculture Extension and Cooperatives
- The National Scio-economic Development Plan 2015-2020;
- Other legal documents under the Law on AC to be formulated.

# Support Mechanism for Acs

## 1. At National Level:

- ❖ The Agriculture Extension and Cooperatives Department (DAEC) was established in 10 August 2012.
- ❖ The Rural Development and Cooperatives Department will be established soon (Mid 2017).

## 2. Local Level:

- ❖ 18 Provincial Agricultural and Forestry Office (PAFOs)
- ❖ 148 Districts Agricultural and Forestry Office (DAFOs)

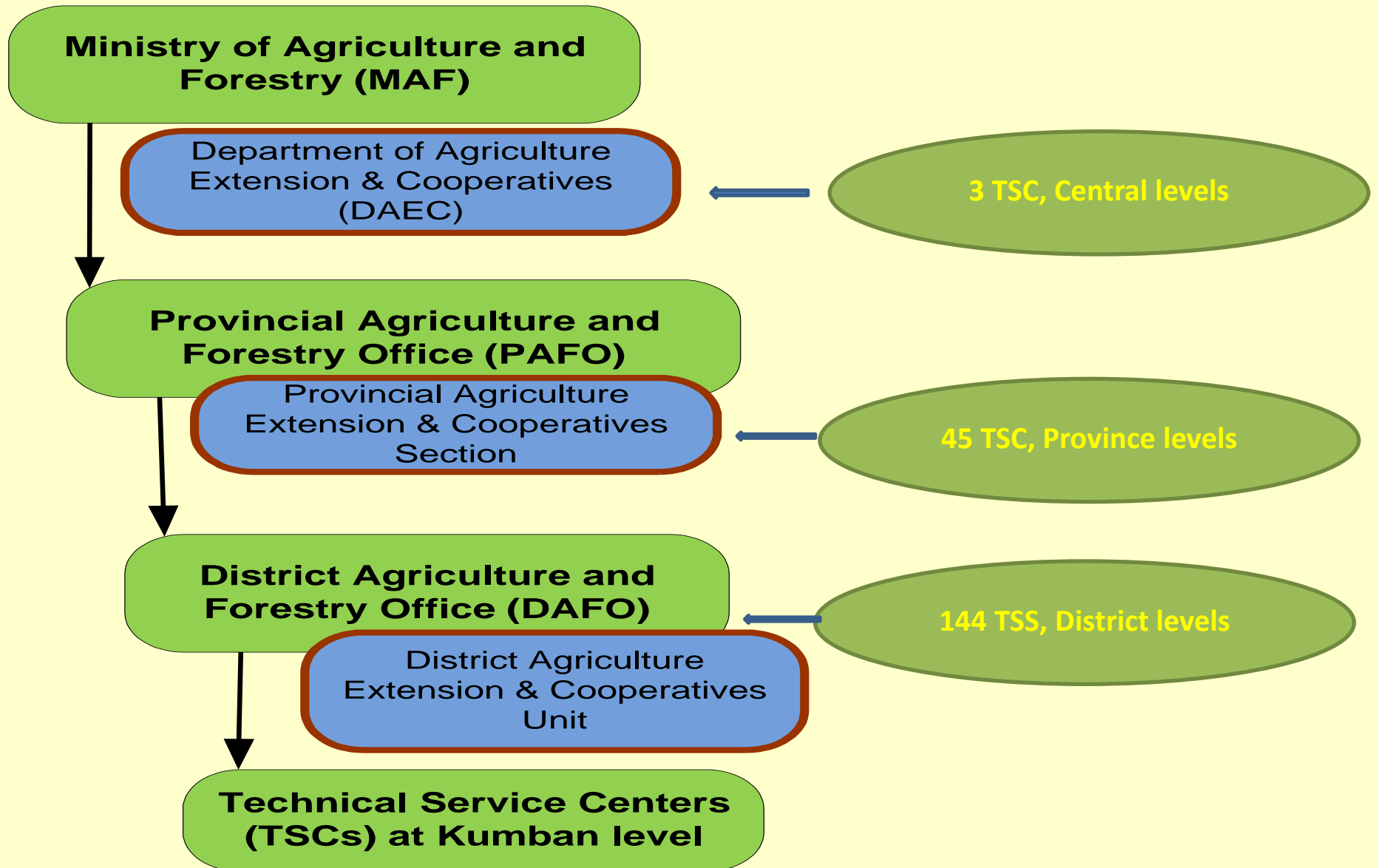
## II. Institutions and database of the ACs in AMS

### DAEC's main duties

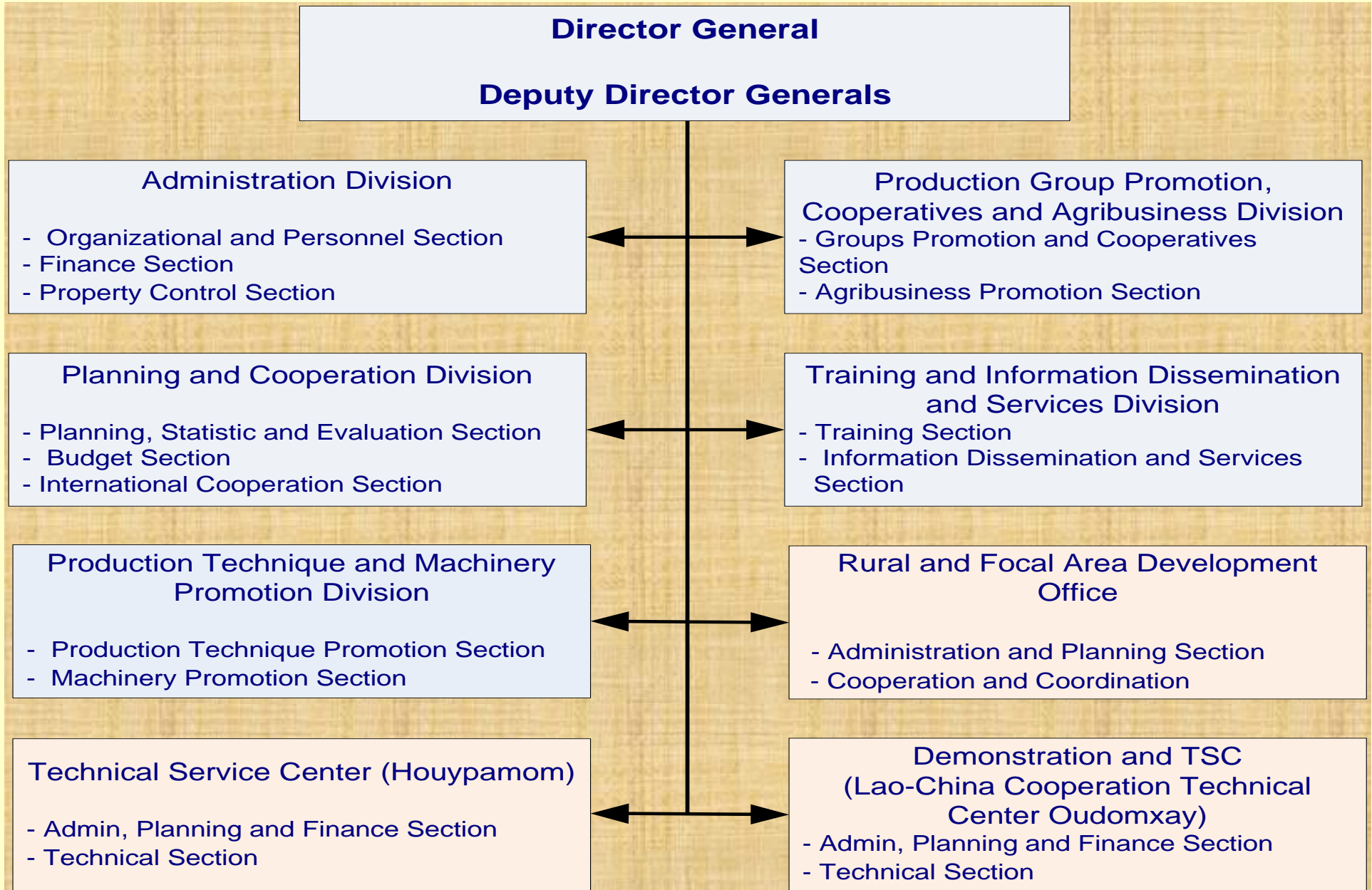
- ❖ Support and strengthen organizations of groups and farm for commodity production and food security, promote contract farming moving forward to establish new agricultural cooperatives enabling development of a stronger economy at the grassroots level
- ❖ Establish and improve technical service centers and extension staffs at all levels as: national, provincial, district and village

- ❖ Establishment a system to dissemination and provide information services on production techniques, processing and marketing.
- ❖ Promote sustainable development of coops operating agribusiness and provision of services to access credit, access to domestic and international market and exchange experiences within country and abroad.
- ❖ Develop a mechanism to cooperate with research institutes, other departments and development partners to mobilize resources and technical supports for development and implementation of program and projects on agricultural extension, group and cooperatives development.
- ❖ coordinate with development partners within and outside country for development of ACs in Laos

# Hierarchical organization



# Organizational Structure





# Achievement of DAEC

- Establish of FGs almost **2,720** while **1,050** are crops plantation and **1,670** animal feeding and fishery groups with more than **50,000** members
- Areas 16,589ha, capital 7,500,940,000LAK(1MUS\$)
- Established 189 TSCs



## Summarized FGs and ACs followed MAF's Agreements 2983/MAF and 2984/MAF

No.	Province	Crops	Animal	Fishery	processing	Service	Total
1	Phongsaly	-	1	-	-	-	1
2	Luang Namtha	-	17	-	-	-	17
3	Huaphanh	-	16	-	-	-	16
4	Oudomxay	5	4	1	-	-	10
5	Luang Phrabang	-	12	-	-	-	12
6	Sayabouly	12	-	1	-	-	13
7	Xieng Khoang	-	12	-	-	-	12
8	Vientiane pro	2	1	-	-	-	3
9	Vientiane capital	1	-	-	-	-	1
10	Khammouan	32	-	-	-	-	32
11	Savannakhet	1	1	-	-	-	2
12	Champasak	<b>7</b>	-	-	-	-	<b>7</b>
		<b>60</b>	<b>64</b>	<b>2</b>	-	-	<b>126</b>

# III. National programs/initiatives for ACs development

## ❖ National programs

- Rural Development and Cooperatives Department  
(New Improvement Department under MAF)
- Agriculture Development Fund (Both FGs and ACs)
- PAFOs, PICOs(Provincial Industry and Commerce Office)

## ❖ External programs

- Korean Rural Economic Institute (KREI) on ACs models
- German Cooperative and Raifeisen Federation, DGRV 2013-2017, (Regulation on ACs and Legal framework)
- Exchange lesson learn with Promotion Cooperative Department and Cooperative Auditing Department, MAC Thailand.
- Others as: ICA, IDACA, INGO etc...

## ❖ **Capacity building for ACs**

- TOT on the concepts of Agricultural Cooperatives
- TOT on specific topics related to agricultural cooperatives
- Overseas trainings
- Conduct training courses
- Organize workshops and study visits

## ❖ **ACs business network**

- Organize Agricultural Cooperative Business Forums;
- Organize farm products and agricultural service exhibitions
- Etc...

## IV. Challenges in ACs development

- Inadequate legal frameworks and policies to promote ACs;
- Inadequate education and training materials for ACs
- Limited human resources in the field of ACs
- Lack of training center for ACs
- Most ACs have low capacity in leadership and management, financial management, marketing and business plans;
- Financial institutions have not yet provided loan to ACs and loan have high interest rate.
- Most ACs lack physical infrastructures e.g. post-harvest facilities, processing and marketing facilities.
- Management of ACs have low education level and so old.

# Strategic Plan to Promote ACs

- Develop policy and strategy on promoting ACs;
- Continue to formulate legal framework under AC law in country;
- Develop human resources;
- Set up and Manage ACs Development Fund;
- Establish the national training center for ACs;
- Build up the capacity of ACs promoters;
- Strengthen the capacity of ACs;
- Develop education and training materials for ACs
- Develop and introduce models for ACs to apply to promote their businesses and to comply with the Law on ACs;

# Recommended for regional cooperation

1. Legal framework development for ACs (policy or related documents with ACs)
2. Development of Education and Training Materials to strengthen the capacity of ACs
3. Capacity Building Program for ACs through trainings, workshops, exchange visits and others
4. Joint project on promoting ACs
5. Promote Agricultural Cooperative Business Network
6. Establish of ACs models in the country

Thank you very much

