Policy dialogue in ASSET (Sub Component 2.3): a “bottom-up” policy dialogue process (from local to national, then regional levels)

➤ Starting from a “bottom-up” documentation on Success and Learning Stories in the field

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Success and Learning Stories in policy support to agroecology and safe food systems in South-eastern Asia

Preliminary remark: in ASSET project, “policy support” is understood in a broader sense, as any institutional mechanism some public authorities set up to support agroecological transition and safe food systems (see examples below).

“Success and Learning stories...” : identifying the best success or learning stories on policy support that have been already and effectively applied and that show tangible on-site effects.
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✓ Identifying best stories.
✓ Documenting them -> fill in first summarizing forms.
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Boosting value-chains

A provincial fund to support agroecological transition: The Conservation Agriculture Development Fund Sayaboury province, Lao PDR

Contact: Sayavong Chanthasone kentao

Objectives of the mechanism/policy instrument:
The objective of the Conservation Agriculture Development Fund (CADF) is to set a financial tool at the provincial level, inspired from Payments for Ecosystem Services (PES) programs. The CADF is a provincial fund that is initially feed by local taxes that would derive from the maize industry to sustain Sustainable Agriculture development (at the beginning it was focused on Conservation Agriculture development). More recently, additional funds for government budget. The fund is used to support the costs of an inter-sectoral support to agroecology transition, especially towards farmers, traders, and technical trainers: demonstration farm, farms, infrastructures like dryer houses, improving tools and machinery, other production costs, supporting traders’ associations, organizing collective plans of products for exportation...

Mechanism description (What are the main steps of the mechanism implementation trajectory?):
The fund was created in 2008, with the institutional setup validated by the Governor of Sayaboury Province on 29/11/2007 (decree 2042/GN.SY) and the functioning modalities validated on 21/08/2008 decree 1468-GN.SY).

The CADF has been primarily funded by a 10 LAK per kilogram “tax” on the maize sold and exported out of the province, and can also receive inputs from diverse sources (e.g. private sector, international organizations or development projects (Article 12). This tax has firstly been collected by the traders’ associations ................... then district Commerce and industry office (DoC) has been in charge to collect money. 240,000 uah could be collected during the first two-year period, covering 10 districts.

The CADF is managed by a Secretariat of ...................... A Management Committee presided by the vice-governor ...........

The fund can sustain activities and actions that support agroecological transition (Conservation Agriculture until 2015):
- farmers’ credit to develop AE practices
- inputs and labour cost for demonstration activities
- local trader-collectors on setting standard for export;

Are there any adjustments during the implementation process?

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The CADF was initially focused on Conservation Agriculture (CA) ............... In 2012, the Secretariat started pushing for having less money spent on demonstration sites and more on activities aimed at organizing maize producer groups and facilitating their interactions with traders on issues of production quantity and quality, credit and access to machinery.

In 2012-13, important issues emerged within the traders’ associations. ...................... As a reaction, in 2014, the CADF Management Committee transferred full responsibility for collection of the “maize tax” to the district Departments of Commerce and Industry, including responsibility for the accounting and financial management of the Fund.

Lastly, in 2020 Sayaboury provincial authorities issued an agreement notice that will increase sustainable financial sources, and objectives, of the Fund.............

Where can we notice effects? (Geographic focus/targeted area)
Xieng khuan and Champasak Provinces

Who is/are in charge of implementing? (Implementing agency/ies)
- Provincial authorities decree the setting up of the Fund and its functioning.
- a CADF management committee brings together Districts technical staffs and stakeholders’ organizations (traders, then farmers in 2016) to yearly monitor the Fund implementation
- The CADF secretariat manage the fund implementation by the districts technical staff
- District staffs implement the Fund activities (tax collecting and working programs to support agroecological transition)

Funding source for the institutional set up (international donors / government subsidies / current budget at national or local level):
- French cooperation, government subsidiaries, provincial budget

National and/or local policies which have enable the development and implementation of the initiative:
National policies allow to set traders organisations and farmers groups “only very few producer groups are actually structured and recognized by the district authorities, in the absence of established producer groups, farmers also tend to lack coordination in front of traders.” Provincial policies to set the taxes.

Targeted beneficiaries and stakeholders:
Traders, Farmers, agricultural staffs that can train and lead farmers production, and staffs of ............

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Proven effects on agroecological transition and safe food systems (actually noticed in situ):
The overall revenues of the CADF have been relatively stable – between 120,000 and 140,000 USD per year, although fairly variable from one district to another.

Each year, through their participation in the CADF, members of the traders’ associations have been able to access to tax-free seeds, machinery .............. In 2011 for instance, the CADF Secretariat has coordinated with Thai providers to import without tax a total of 1.26 tons of hybrid maize seeds. Traders could then provide the seeds to farmers through low interest credit schemes.

What has not worked? (Constraints and difficulties)
Drops in revenues for the CADF are directly linked to exportation shifts. In these situations, with few storage plants, a major part of the production can be exported illegally or sold to intermediates within Laos, with very limited monitoring and hence taxation of the transactions.

More generally, the amount of “tax” collected appears extremely low when compared to what could be expected considering.

What are the required conditions before implementation? (Pre-requisites and enabling factors and environment)
Setting taxes at the provincial level is allowed.
A profitable value chain exists (to be taxed)
Farmers and traders are aware of agroecological transition issues

How long has the mechanism been in place? Is it still functioning? If no, duration period and funding source;
Since 2008, and still on going. The fund is supported by government subsidiaries and additional funds from...

How to concretely achieve the same kind effects at the whole country level? (Scaling-up possibilities, conditions for implementation in other contexts):
Districts DoC should be in charge of collecting the tax .............. Monitoring and evaluation system .............. Capacity building of district agencies .............. Enhancing the participation and negotiation capacity of farmers .............. Identifying ways to better support and engage traders ..............
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- Identifying best stories.
- Documenting them -> fill in first summarizing forms.
- Share, discuss, and analyse them between us (bottom-up process from local to regional levels)
- Reflecting on potentialities for adaptation and implementation into the flagship context
- Reflecting on integrating some into advocacy approach
THANK YOU

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