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Flash Progress Overviews
Topic: Forestry & ProFEB Update

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2nd TICAF Annual Steering Committee Meeting | May 2026
13 May 2026, Holiday Inn Hotel, Vientiane Capital

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Major Achievements 2025-2026

- **Hin Nam No National Park was successfully inscribed as a UNESCO World Heritage** Site in July 2025, establishing the first transboundary site in Southeast Asia with Vietnam.
- We launched the **Forestry Scholarship Programme, awarding 100 scholarships** to students across three universities with 78% female participation in Bachelor degrees.
- **Fourteen winning projects were selected and received $173,000 in funding** to modernize wood processing and non-timber forest product value chains through the Innovation Challenge.
- **The government officially endorsed the Rubber Decree in April 2026**, which provides a formal regulatory framework for the sustainable use of rubber wood.
- We formalized a **Forest Landscape Restoration partnership** by signing a Memorandum of Understanding with the Mineral Water Company on March 23 to restore the Phu Phueng forest and generate sustainable local incomes.





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Challenges & Strategic Learnings

Challenges



The merger of MAF and MONRE into MAE required extensive realignment and caused coordination delays.



Drafting sub-legislation for the Timber Legality Assurance System is demanding for ground-level implementation.



High inflation and currency depreciation impact the investment capacity of micro, small, and medium-sized enterprises in the wood sector.



Forest restoration activities are highly dependent on seasonal cycles, requiring rigid planning windows.

Strategic Learnings



Proactive stakeholder consultation is vital to improve the understanding of new laws.



Community-led planning is the only way to ensure the long-term sustainability of forest landscape restoration activities.



Pre-training capacity assessments lead to much more effective learning outcomes than generic workshops.



Linking restoration efforts with direct livelihood benefits significantly increases community participation.

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Next Steps



We will proceed with the formal signature and rollout of joint management for the Hin Nam No and Phong Nha-Ke Bang UNESCO site.



The 14 winning projects of the Innovation Challenge will receive active monitoring and technical support.



Village-based action plans for Forest Landscape Restoration will be expanded across all 31 target villages using local nursery toolkits.



Preparation and transition to a broader and more holistic EU-Lao Forest Partnership framework.



Preparation for a project extension until December 2028.

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Thank you for your attention













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Protection and Sustainable Use of Forest Ecosystems and Biodiversity (ProFEB)

Forest Policy

Output Indicator 1
Formats for cross-sector (EU) policy dialogue to enhance the forest governance applied.
Baseline: 0
Target: 2 formats

Output Indicator 2
Number of solutions to bottlenecks that are hindering development of selected forest and forest-based product value-chains developed by multi-stakeholder groups.
Baseline: 0
Target: 4 solutions

Output Indicator 3
Number of supported policy instruments piloted for sustainability criteria and product quality along the value chain.
Baseline: 0
Target: 4

Achievement

- **Organised three Forest Policy Dialogues on NTFP and Timber Use, Forest Restoration, and EUDR Preparedness,** bringing together over **170 participants** from government, private sector, civil society, and academia to formulate key policy recommendations, including inputs for the Restoration Masterplan and the updated Timber and NTFP Lists.

- **Became a member of the FSSWG as Co-Chair** and actively contributed to the Secretariat, supported the organization and facilitation of one (1) FSSWG meeting and strengthened coordination among forestry sector stakeholders.

- **Provided technical advice to the Lao government on 12 forest policy instruments (2 completed)**, including the TLAS sub-legislation, PMO 11 District Roadmap, Rubber Decree (effective April 2026), and Wood Processing Export Roadmap.



- **Supported the dissemination of the rubber decree** with more than 30 in person and 100 online participants.



- Published 2 studies on Lao PDR's EUDR preparedness, **covering traceability systems and legality frameworks.**



- Published a Lao translation of the EUDR FAQ, covering over **150 questions** to strengthen EUDR knowledge among government and private sector stakeholders.

Challenges & Lesson Learnt

- TLAS sub-legislation is highly technical and depends on evolving field procedures. **It is essential to align the legislation with on-the-ground processes.**

- **Multi-department and provincial coordination** are **time-intensive and complex, slowing** key processes. Stronger coordination mechanisms are needed to improve efficiency.

- **Limited technical capacity** in some areas and **delayed** expert engagement **slow** assessments, requiring **early expert involvement** for smoother implementation.

- External time pressure to finalize new regulations can limit thorough review and informed decision-making. **Early post-implementation revisions** may become necessary, increasing workload and costs.

- **Early and proactive stakeholder engagement** in regulatory rollouts is essential, with **plain-language summaries and FAQ supplements** accompanying future decrees to ensure accurate public understanding and prevent misconceptions.

- Legal inconsistencies and fragmented responsibilities obstruct forest management, so **clear roles and unified legal frameworks are required.**

- Technical and legal constraints in site selection highlight the need for **robust methodologies and systematic assessments.**

Next Steps

- **Finalise TLAS sub-legislation** by aligning technical requirements with practical procedures (harvesting, processing) and validating implementation steps.

- **Strengthen coordination mechanisms** across departments and provinces to improve efficiency in key processes, such as Gender Training, the NPA Roadmap, and PMO 11.

- **Organise further Forest Policy Dialogues** on topics relevant for the sector notably Wood Business – to gather stakeholder input, complete the assessment and update the Wood Export Roadmap – and potentially Forest Financing.

- **Conduct regional workshops on Forest Restoration** to collect feedback on the Masterplan, integrate findings from the Production Forest Area study, and support its endorsement.

- **Support the Forest Partnership** process between EU and Lao PDR by facilitating multi-stakeholder consultations, providing technical advice to the Lao government as well as other relevant groups, e.g. CSOs.

- **Advance ongoing policy instruments**, notably Village Use Forest, PMO 11 Roadmap, Timber and NTFP List, and Gender Mainstreaming Guidance for drafting, consultation, and implementation.

Protection and Sustainable Use of Forest Ecosystems and Biodiversity (ProFEB)

Biodiversity

Output indicator 2.1
An action plan for gender-responsive management of the transboundary nature conservation landscape Hin Nam No and Phong Nha-Ké pang in compliance with the Green List standard has been coordinated between Laos and Vietnam. (1 Action plan)

Output indicator 2.2:
An action plan to curb illegal wildlife trade, which includes participatory and gender-responsive measures, has been agreed by a multi-stakeholder forum. (1 inter-institutionally agreed action plan)

Output indicator 2.3:
Number of implemented gender-appropriate and participatory measures of an inter-institutionally coordinated action plan to curb the illegal wildlife trade. (2 interinstitutionally coordinated measures)

Achievement

- Inscribed **Hin Nam No National Park as a UNESCO World Heritage Site in July 2025**, marking the first natural World Heritage Site in Laos and the first transboundary site in Southeast Asia, alongside Phong Nha-Kẻ Bàng National Park in Vietnam.
- Organised the official ceremony for the handover of the World Heritage Certificate to provincial authorities in Thakhek.
- Raised awareness regarding **the Outstanding Universal Value of Hin Nam No** among provincial and district authorities, as well as various sectors and local communities.
- Formulated a Transboundary Action Plan between **Hin Nam No National Park and Phong Nha-Kẻ Bàng National Park,** facilitating consultation workshops in Thakhek, Laos, and Dong Hoi, Vietnam.
- **Developed a new five-year Co-management Plan** (2026–2030) for Hin Nam No National Park.
- **Drafted an Action Plan to combat illegal wildlife trade within Laos.**







Challenges & Lesson Learnt

- Illegal Wildlife Trade affects many levels of government, including provincial and local levels; **careful coordination is necessary**.
- UNESCO nomination process has been lengthy, with many detailed technical assessments and **required close coordination with Vietnamese counterparts**.
- World Heritage nomination makes the effort worth it! World Heritage Status is a symbol of national pride, offering opportunities for **increased awareness of biodiversity conservation and economic prospects in tourism**.
- **Close and early coordination between Lao and Vietnamese** counterparts is essential in organising consultations. Responsibilities for communication must be clarified from the start.

Next Steps

- **Finalise the Transboundary Action Plan** between Hin Nam No and Phong Nha-Ke Bang National Parks to lay the foundation for effective cooperation in managing the transboundary Heritage Site.
- **Finalise the 5-year Co-Management Plan** for Hin Nam No National Park.
- **Leverage the World Heritage status** for tourism development, financing, and nature conservation.
- Continue **raising awareness about the Outstanding Universal Value** of Hin Nam No National Park.
- **Extend the Hin Nam No Buffer Zone** to the National Protected Area, as recommended by the World Heritage Committee, including the FPIC process with local communities.
- Disseminate the **IWT Action Plan** and begin implementing selected activities.



Protection and Sustainable Use of Forest Ecosystems and Biodiversity (ProFEB)

Education

Output indicator 3.1

Number of scholarships provided to university students (50% women) enrolled in relevant courses or programmes (e.g. on FLR, sustainable forestry, agroforestry, NTFP, wood processing, conservation management).

Baseline: 0 students with scholarshipsl

Target: 100 students with scholarships

Output indicator 3.2

Upgraded NUoL wood laboratory offering additional services to private and public clients.

Baseline: 20 service offers (12 services for testing wood and wood products and 8 short courses)

Target: 30 service offers (17 services for testing wood properties and wood products and 13 short courses (03/2027)

Achievement

Forestry Scholarship Programme:



Launched the ProFEB scholarship programme in academic year 2025/26, in partnership with three national forestry faculties and Laos' three largest timber plantation companies, awarding

100 scholarships

across three degrees:



78,6 female — 14 Bachelor

31,2 female — 77 Master

44,4 female — 9 PhD

Handed over **78 pieces of IT teaching equipment,** such as laptops, desktop computers, Geo-Information Systems (GIS)/ Remote Sensing (RS) laboratory, projectors, printers and toners.





Challenges & Lesson Learnt

- **Student recruitment and programme attractiveness remain weak**, requiring stronger positioning and relevance to increase enrolment.
- **Limited English proficiency among some staff** constrains effective international engagement and collaboration.
- **Misalignment between donor and university processes** has occasionally reduced implementation efficiency, highlighting the need for better procedural coordination.
- **Insufficient institutional positioning** of the Faculty of Forest Science within the national and regional higher education landscape limits its visibility and impact.
- **Internal coordination gaps** between faculties and departments, compounded by ongoing organisational reform, continue to hinder operational effectiveness.
- **Ad hoc communication with GIZ-ProFEB** on responsibilities and procedures reduces operational clarity, underscoring the need for more proactive, structured, and outward-oriented internal communication and stronger collective faculty identity.

Next Steps



Establish a shared strategic vision to guide departmental development and external engagement.



Strengthen faculty cohesion by aligning departments under a common focus to reinforce collective identity and visibility.



Consolidate international partnerships through **proactive coordination**, ensuring individual research excellence contributes to the Faculty's overall profile and impact.

Protection and Sustainable Use of Forest Ecosystems and Biodiversity (ProFEB)

Forest Landscape Restoration (FLR)

Output indicator 4.1
Number of initiatives in partnership between government, research institutes, companies and villagers for forest biodiversity conservation and enhanced ecological connectivity at landscape level (in all types of land).
Baseline 0 partnership
Target 5 partnerships

Output indicator 4.2
Number of village forests with restoration activities linked to market options, incl. Outgrower schemes
Base line: 0 Forest managed by community
Targets: 30 Forests managed by communities

Output indicator 4.3
Number of villagers (% women) confirming that they benefit from forest landscape restoration (FLR)
Base line 0 participants
Target: 300 particpants (30% are women)

Achievement

- **Completed consultations across 31 target villages** and cluster selection processes in **4 target provinces** (ODX, HP, LPB, & SYB), involving 7 DAEOs.
- **Developed FLR Action Plans in all different categories** for pilot implementation in one village of each of the 7 target districts (Sopbao, Viengxai, Nan, Hongsa, Sayaboury, and Xai).
- **Conducted capacity building on FLR and drone training** at Chiang Mai University, Thailand in Jan 2026 and FLR training in 4 target provinces in Feb 2026.
- **Signed an agreement with a mineral water company** (LPB) on collaboration for FLR co-investment models, restoration needs, and investment opportunities in March 2026.
- **Advanced a multi-agency and donor initiative** for the development of a national Payment for Forest Ecosystem Services (PFES) scheme as a sustainable financing mechanism — Draft Feasibility finalized.









Challenges & Lesson Learnt

- **Limited capacity** in forest degradation assessment and FLR techniques to better identify and prioritize FLR activities.
- **Restoration activities highly depend on the seasonality.**
- **Stronger coordination is needed between DAEO and villages** on law enforcement, particularly regarding livestock damage, forest fires, and encroachment within forest boundaries.
- **Private sector engagement is still limited** and needs to be further strengthened.
- Participatory Land Use Planning **(PLUP)** and Village forest management planning **(VFMP)** are key steps for FLR engagement.
- **Linking restoration activities with livelihood benefits** helps increase community participation, ownership and long-term commitment.
- **Proper seed collection planning and early community involvement** improves seedling quality and restoration success rates.
- **Continuous training and technical coaching for DAEO staff and villag. communities** are essential to strengthen capacities and improve the application of forest restoration techniques.
- Private sector engagement is essential for large-scale restoration efforts.

Next Steps

Village based FLR implementation

- **Continue implementing FLR Action Plans** across all target villages, integrating practical restoration with on-the-job training and academic engagement.
- **Provide nursery management training** to all 31 target villages through DAEO staff to build local technical capacity.
- **Establish a dedicated funding window** with the Environment and Forest Protection Fund (EFPF) for FLR activities at provincial, district, and village levels.

Partnership development with private sector and CSO initiative

- **Engage the Friends of PhatadKe Association (FPTK) and Souphanouvong University** to facilitate partnership with a mineral water company and strengthen local community participation in Luang Prabang.
- **Continue supporting eco-tourism development** in Oudomxay through the Association for Mutual Assistance (AMA) in collaboration with Namkat Yorla Pa.
- **Strengthen the partnership** with Xaychalern Company Co., Ltd. through BNDA support to promote the sustainable use of bamboo leaves whilst advancing forest restoration efforts in Houaphan.
- **Link PFES policy discussions and restoration masterplan** development to private sector engagement.

PFES

MOU between EFPF and VNFF on PFES fund management and further study of PFES implementation

Finalization of Feasibility study and draft Decree on PFES

Protection and Sustainable Use of Forest Ecosystems and Biodiversity (ProFEB)

ການ ຮ່ວມມື ເຢຍລະມັນ
DEUTSCHE ZUSAMMENARBEIT

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Value Chains

Output indicator 5.1
Number of producers (% women) involved in forest-based production models participating in initiatives for improved market access.
Baseline: 0 producers
Target: 500 producers (30 % women)

Output indicator 5.2
Number of MSME with business plans for sustainable production in compliance with sustainability standards.
Baseline: 0 MSME
Target: 20 MSME

Output indicator 5.3
Number of new commercial partnerships among smallholders, MSMEs and larger companies for sustainable supply chains, incl. out grower schemes.
Baseline: 0 Partnerships
Target: 4 partnerships

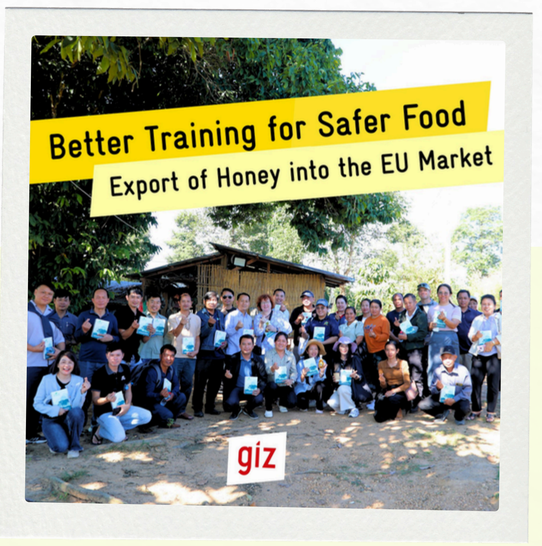
Achievement

- Conducted **provincial operational planning workshops** in the six target provinces (April - May 2025).
- Delivered training on the **export of honey to the EU** to government representatives and producers (November 2025).
- **Assessed demand and potential of wild tea** in Oudomxay province (November 2025 - March 2026).
- **Assessed potential producer groups for formal registration** across the six target provinces (November 2025 - ongoing).
- Conducted **field visits for value chain data collection and village selection** across the six target provinces (March 2025 - ongoing).
- **Visited and studied the immfurniture trade fair and furniture** manufacturing enterprises in Cologne, Germany, with 10 delegates from furniture and wood processing MSMEs, the Lao Furniture Association, and government (DOF and DOSMEP) (January 2026).
- Received 50 applications for the **Innovation Challenge and selected 14 winning projects**, receiving a combined funding of USD 170,000; implemented projects over six months starting in April 2026 (November 2025 - March 2026).









Challenges & Lesson Learnt

NTFP Market Development & Value Chain Strengthening

- **Government restructuring** disrupted coordination, necessitating clear documentation and ongoing engagement with new counterparts.
- **Radpid changing local contexts** need regular data updates and responsive approaches to tackle land-use shifts, livelihood changes, and youth migration.
- **Formalise fragmented** value chains by building governance and trust.
- **Align interventions with seasonal** cycles for maximum effectiveness.
- Forest-based value chains **need targeted support in planning, accounting, and market access.**

Innovation Challenge

- **Identifying participants** requires targeted scouting.
- **Tailor support** to experience and project maturity.
- **Capacity gaps in budget planning** persisted, indicating a need for more support.
- **Clearly communicate eligible costs** to manage expectations.
- **Coaching and mentoring effectively improved pitch quality,** highlighting their importance for future programmes.

Study Trip to Germany

- Limited access to practical training and safety knowledge among workers highlights the need for short, hands-on courses to strengthen technical skills and workforce capacity.
- **Limited understanding of certification and export requirements** underlines the importance of targeted guidance on standards and market preparation to support international market access.
- **Limited Access to Finance** for machinery upgrades and safety improvements constrains SME modernisation, highlighting the need for targeted financial support and exposure to innovation.

Next Steps

- **Conduct Provincial Operational Planning Workshops** in the six target provinces (April - June 2026)
- **Conduct a baseline study on rubber wood processing** (May 2026 - April 2027)
- **Conclude the producer group registration** (until October 2026)
- **Conduct field visits in the six target provinces**
- **Implement producer and MSME initiatives**
- **Support the establishment of commercial partnerships** between producers, MSMEs, and buyers to strengthen the market
- **Implement the 14 Innovation Challenge winning projects,** followed by an evaluation and identification of scale-up potential (April - October 2026).
- **Continuously support private sector actors** for improved market access and promotion of new technologies and innovation (e.g., NTFP exhibition organized by PCCI HOU, study visit to ANUGA fair in Bangkok).
- **Implement the five-year MSME development plan** of MOIC/DOSMEP.

Green CUP Project

Enhanced Green Economy through a Quality,
Climate-Resilient and Inclusive Value Chain Project

2025 KEY ACHIEVEMENTS

Supported by:

GOVERNANCE AND SECTOR DEVELOPMENT

GREEN CUP

COFFEE:

- *Completed the coffee sector assessment and a 2026 - 2030 strategic roadmap* ➲ These documents will be presented in the upcoming CNCL meeting
- *Completed the consultation process for Laos' membership in the International Coffee Organization (ICO)* ➲ *The application and roadmap will be prepared in 2026*

TEA:

- *Completed the development of the National Tea Master Plan, in collaboration with FAO & DOA/MAE*
- *Organization of the 3rd Tea Alliance Meeting (> 128 participants) from national and regional)*

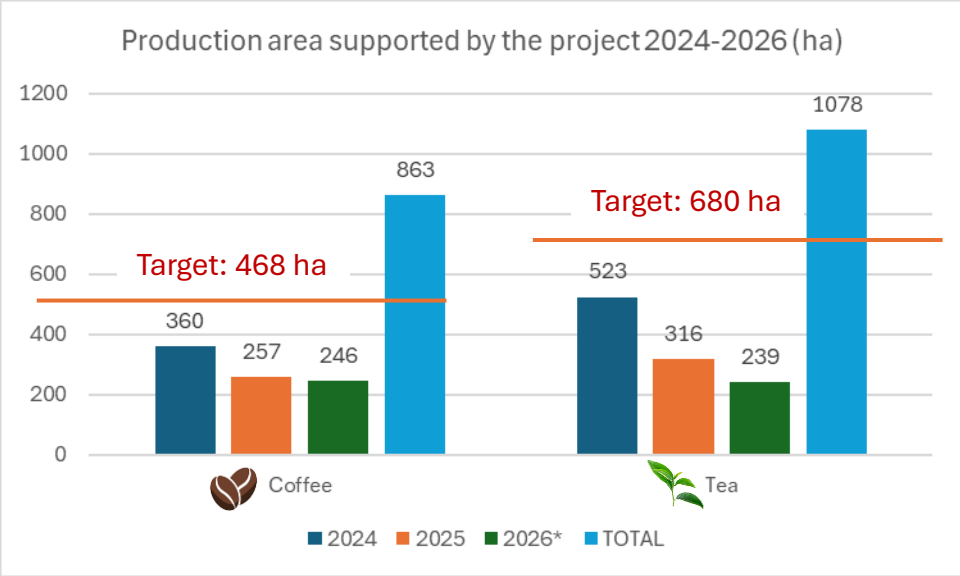






VALUE CHAIN DEVELOPMENT

- **Production surface: over target indicators**



- **Annual production volume (estimated):**
  - COFFEE: ~ 800 t coffee cherries by 2028 (120 t of green beans)
  - TEA: ~ 1,500 t fresh tea per year (300 t dry tea per year)

- **Numbers of beneficiaries:** 3,677 households across more than 100 villages

Processing: Good progress

COFFEE:
- Fully equipped (14 wet mill stations)
- Temporary (17 wet mill stations)

TEA:
- 2 factories upgraded (Meung and Nyot Ou)
- 8 small processing units

Market access: Good progress

COFFEE:
- Launching a coffee commercial platform (16 farmer groups and 4 companies in pilot)
- 8 buyers sourced coffee from project areas

TEA:
- Exporting 4.4 t of organic green tea France
- Signing 2 new sales agreements with EU buyers

GREEN CUP











RESEARCH, EDUCATION & INCOME

GREEN CUP

Research & innovation	• 3 coffee nurseries and 15 coffee demo-plots to support the trials on five hybrid coffee varieties (Initial results indicated that two of them outperformed local variety in growth performance) • 9 tea demo-plots to support the agroforestry-based tea systems
Skills, and human capital	• > 80 training sessions in 2025 (> 2,000 participants, 34% women), including farmers, extension agents, and institutional stakeholders. • Six knowledge packages and the new coffee curriculum for BSc students (will be available in online platforms in 2026). • Support 3 PhD students and creation of the national coffee pool experts • > 1,200 women producers trained in Women Leaders Programme
Income diversification	• Beekeeping training to tea producers in Bokeo; • Pilots of the stick lac and medicinal plant (Seiko) production in coffee plantations • Eco-tourism initiatives

RESEARCH, EDUCATION & INCOME

GREEN CUP





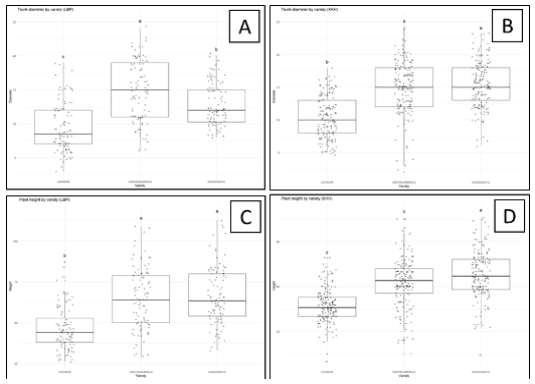


















Challenges

GREEN CUP

COFFEE

- Slow progress in sector governance and strategic activities due to the inter-ministerial coordination challenges (required the restructuring of CNCL);
- Yields and crop development is affected by drought and air pollution;
- Post-harvest activities remain challenged by buyer preferences for purchasing coffee cherries rather than parchment coffee;
- Insufficient processing and post-harvest infrastructure to absorb increasing production volumes
- Competition from other high-value cash crops continues to affect harvesting volumes (not yet operating at full capacity)

TEA

- Inability to meet export volume due to weak Internal Control System practices and limited production areas which led to chemical cross-contamination from neighboring plantations (case of organic tea);
- Limited processing equipment and post-harvest infrastructure to meet market demand;
- Short-term and ad hoc sales involving a limited number of buyers, with the absence of a long-term marketing strategy and reduce market diversification which weaken sector resilience;
- Production losses caused by drought;
- Challenges in accessing European markets (language barriers and limited logistics management capacity);
- Lack of local tea experts to ensure long-term sector sustainability and technical support.

KEY PRIORITIES FOR 2026

GREEN CUP

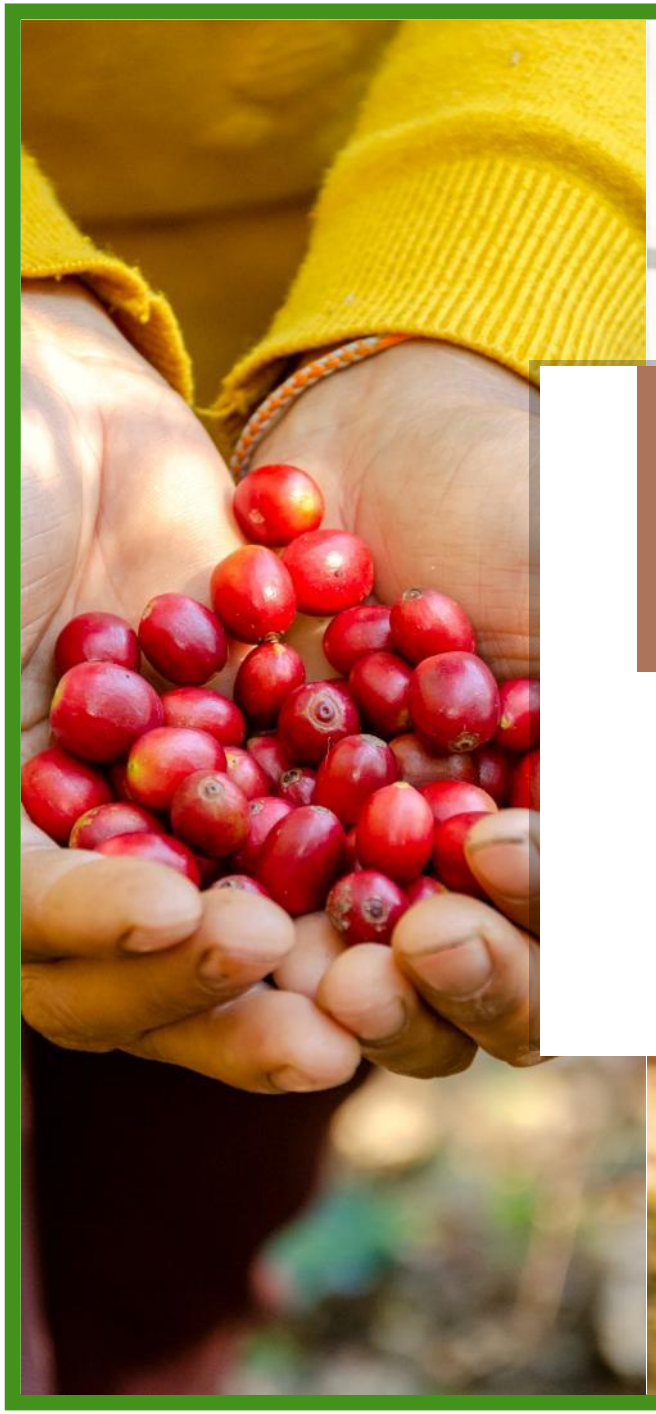


Project Activities: Continued progress toward expected results, with a strong focus on:

- *Improving product quality and strengthening traceability systems through the upgrading of community- and village-level coffee and tea processing units.*
- *Accelerating nutrition-related activities and interventions.*
- *Strengthening capacity building through the development of local expertise and the dissemination of knowledge products and educational materials.*
- *Enhancing collaboration with key partners, including STAF, KfW-RDP IV, FAO, and other stakeholders.*
- *Development of Lao coffee strategy 2026-20302 and hold the CNCL board meeting.*
- *Feasibility studies for provinces extension in Xayabuly and Champasack provinces.*

Project Management:

- Finalization of the €2 million EU top-up funding proposal;
- Signing two related addendums (EU–AFD and AFD–MoF)
- Feasibility missions in two additional coffee target provinces: Xayabuly & Champassak








THANK YOU

This is Green CUP: Sustainable from SEED to CUP

/

Green CUP (TICAF Component 1: Agriculture)

2025 Key Achievements & Challenges

A. Key Achievements

In 2025, the Green CUP project reached full operational status. The coffee sector delivered strong results across production, research, capacity building, and market integration, consolidating a promising green and inclusive coffee value chain in northern Laos. In parallel, tea sector activities - delayed in 2024 - were successfully implemented, laying a solid foundation for further development in 2026.

Strengthening governance and sector development

A comprehensive assessment of the coffee sector was completed, alongside the preparation of a 2026 - 2030 strategic roadmap to be presented to the CNCL Secretariat in early 2026. The consultation process for Laos' membership in the International Coffee Organization (ICO) was completed; the application and final roadmap will be prepared in 2026. In the tea sector, the project actively supported the development of the National Tea Master Plan in collaboration with FAO and DOA/MAE, and facilitated multi-stakeholder consultations. The 3rd Tea Alliance Meeting brought together 128 stakeholders, including companies, cooperatives, international organizations, and government representatives from eight provinces.

Value chain development

Production: The total project-supported area reached 1,456 hectares (617 hectares of coffee[1] and 839 hectares of tea[2]), benefiting 3,677 households[3] across more than 100 villages. This figure, approximately 20% of the coffee production area in northern Laos and 40% of the tea-planted area in the three target provinces (Phongsaly, Bokeo, and Xiengkhouang), demonstrates a transformative contribution to the development of the coffee and tea sectors in northern Laos, reinforcing the region's role as an emerging production hub.

Coffee production is estimated at 132 tonnes of coffee cherries for the 2025–2026 harvest season and is projected to reach over 800 tonnes of coffee cherries by 2028, equivalent to around 120 tonnes of green coffee beans annually.

An annual tea production from the existing surface is about 300 tonnes of dry tea[4].

[1] 257 ha newly planted in 2025 and 246 ha will be planned in 2026

[2] 316 ha newly integrated thanks to the integration of a new tea cooperative Xiengkhouang and expansion of surface from the existing cooperation members

[3] 1,458 coffee producers and 2,219 tea producers

[4] Estimated dry tea production = 839×0.4=335.6 tonnes of dry tea per year

Post-harvest: Processing capacity was also improved. Fourteen coffee wet mill stations were fully equipped, while 17 temporary units are planned for full installation in 2026–2027. In the tea sector, two factories were upgraded to meet international volume and quality requirements.

Market access: Market integration and visibility of Lao coffee and tea are strengthened thanks to national and international trade promotion events organised throughout 2025, including 3 national promotional events and four international events.

A commercial platform was launched, linking 16 farmer groups with four private companies. Moreover, eight buyers are connected with the coffee producers in the target provinces and sourced coffee directly from project-supported areas.

Meung tea cooperative in Bokeo continued to maintain export momentum with to European buyers. 4.4 tonnes of organic green tea from Bokeo were exported to France, and two new sales agreements were signed. Product samples were also sent to secure contracts for 2026.

Building knowledge, skills, and human capital:

More than 80 training sessions were delivered in 2025, reaching over 2,000 participants (34% women), including farmers, extension agents, and institutional stakeholders. Topics included technical farming practices, cooperative management, and market-oriented skills.

Six knowledge packages for vocational trainings are currently under final review and will be disseminated through digital platforms in 2026. New coffee curriculum for BSc students are also prepared.

The project invested also in long-term capacity development. Three PhD students were currently supported by the project. More support to PhD and master's students are planned in the up-coming year. National pool experts in coffee were also established.

Enhancing research and innovation:

Three coffee nurseries and 15 coffee demo-plots in Luang Prabang and Xiengkhouang are established to support the trials on five hybrid coffee varieties[5]. Initial results indicated that *Mundo Maya and Centro Americano* outperform local variety (*Arabica Catimor*) in growth performance. This trial will support the development of the climate-resilient production strategy.

Nine tea demo-plots were established in Xiengkhouang and Phongsaly, following on ecosystem service study. This trial will support the development of agroforestry-based tea systems.

Thirty-three demo-plots (coffee and tea) had been established across northern Laos, covering 14.5 hectares of coffee and tea plantations and involving 34 households. These plots serve as practical models for climate-resilient and innovative farming practices.

Income diversification: The project initiated the income diversification to reduce economic vulnerability and strengthen household resilience through diversified income sources. Activities in 2025 included the beekeeping training to tea producers in Bokeo, pilots of the stick lac and medicinal plant (Seiko) production in coffee plantations in partnership with private companies in Luang Prabang and Champassack. In addition, eco-tourism initiatives have also initiated.

Promoting Gender Inclusion: Between 2024 and 2025, over 1,200 women producers were trained through the Women Leaders Programme using participatory approaches. These efforts strengthened women's roles in production, leadership, and market engagement within the coffee value chain.

[5] Starmaya, Marsellesa, Centro Americano, Mundo Maya, and Mariana

B. KEY CHALLENGES

Coffee Sector:

- Slow progress in sector governance and strategic activities due to the inter-ministerial coordination challenges, which required the restructuring of existing bodies (CNCL Secretariat and CNCL Committee);
- Increasing climate variability (notably drought and air pollution) during the critical production stages (i.e. coffee flowering) affects yields and crop development, as well as the expansion plans of coffee cultivated area, while the low level of maintenance keeps yield quite low;
- Promotion of collective processing and selling, which require building self-reliant farmers organizations and trust relationship, remain challenging by buyer preferences for purchasing coffee cherries rather than parchment coffee;
- Insufficient processing and post-harvest infrastructure to absorb rising production volumes and ensure compliance with quality standards[6];
- Coffee production in the northern Lao still in competition with others cash crops with high market prices, which effects the harvesting volumes and the expansion of cultivation area as farmers need to earn a minimum income to start investing more into coffee production. Coffee minimum quantities must be reached for each household to reduce the competition with other income-generating activities, and particularly the non-sustainable ones (intensive mono-cropping, gold mining).

Tea Sector:

- Inability to meet export volume requirements, caused by weak Internal Control System (ICS) practices, leading to cross-contamination from neighbouring plantations (case of organic tea), and limited production areas within tea cooperatives;
- Limited processing equipment and post-harvest infrastructure to meet export market standards and demand;
- Reliance on a limited number of buyers due to the short-term and ad hoc sales practices) and the absence of a long-term marketing strategy, reducing market diversification and resilience;
- Barriers to accessing European markets due to language and logistics management;
- Lack of local experts on tea to ensure the sustainability.
- Losses of production due to the increasing climate variability (notably drought) during the spring harvesting season.

[6] The production is expected to rapidly increase starting from 2027 onwards, which will require a multiplication or an upgrade of processing equipment (wet and dry mills)



SOLAR II

Reducing vulnerability in Lao PDR:

Advancing social protection and labour rights and entitlements in the coffee, tea and forestry sectors - Phase II

13 May 2026

International Labour Organization

SOLAR II: Main Facts

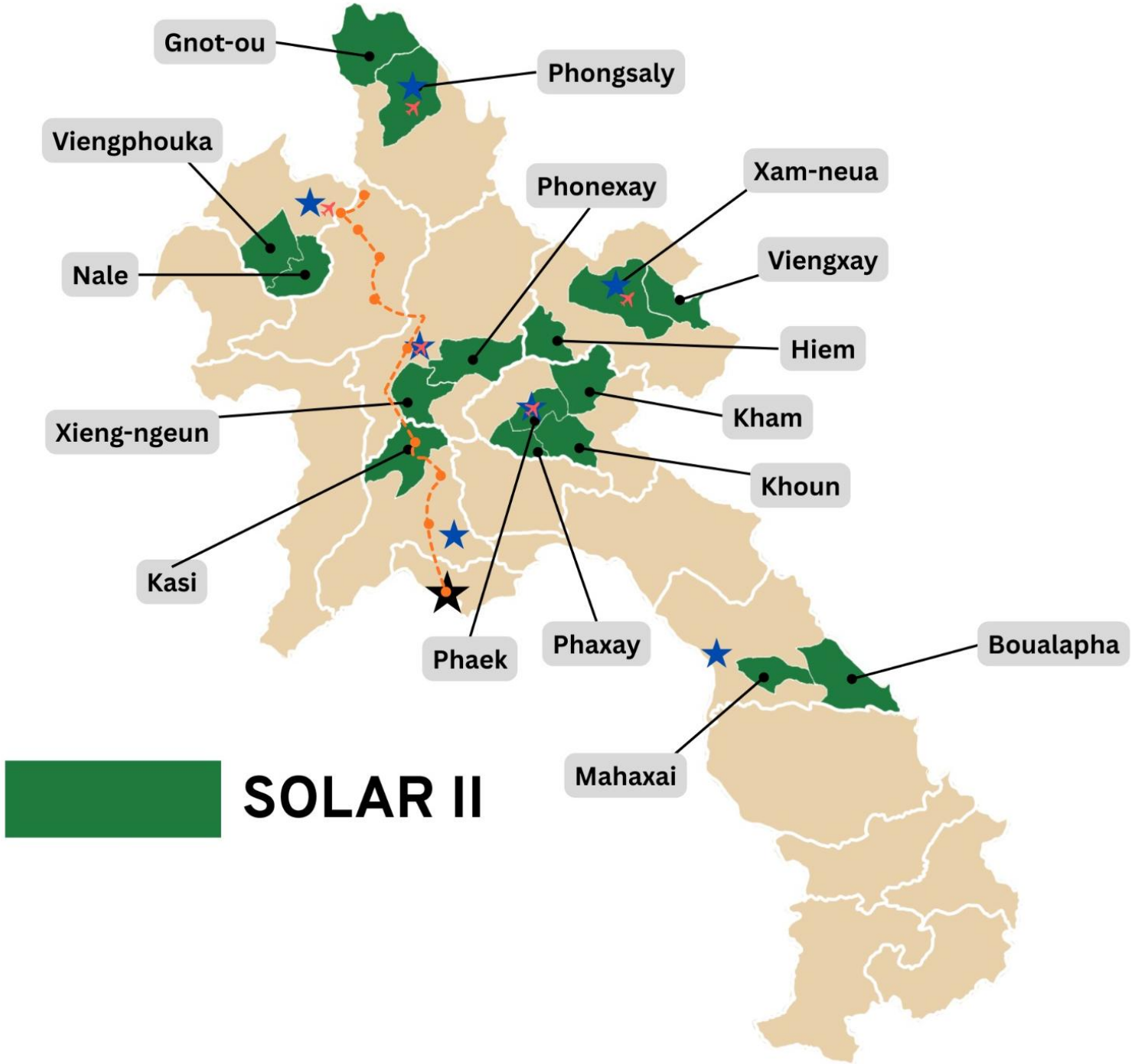
- **Duration:** February 2026 – April 2030
- **Budget:** EUR 3.5 million
- **Specific Objective:** To promote and protect labour rights, through improved access to social protection and occupational safety and health, improved organisation and empowerment of coffee, tea and forestry workers in Lao PDR





SOLAR II target areas

16 districts across 7 provinces:
Phongsaly, Luangnamtha, Luangprabang, Houaphan, Xiengkhouang, Khammouane, Vientiane Province



SOLAR II: Target beneficiaries and partners

- **32,000** community members in target areas (50% women, 25% ethnic groups)
- **Government** – MOLSW, LSSO and local offices
- **Workers** – LFTU and local offices, cooperatives, production groups
- **Private sector** – LNCCI, LCA, associations, SMEs
- **6** CSOs
- **128** village/group leaders

Activities





ILO report

SOLAR: Report of the endline study



Output 1. Measures to enhance law enforcement at local level

- Mobile social security service, enterprise inspections
- Training of Trainers
- Dialogue between workers and employers/buyers



Output 2. Recommendations for policy change and institutional strengthening

- Feedback of local-level gaps, barriers and challenges provided to policy processes, national platforms

Activities



Output 3. Increased knowledge and awareness of social protection and labour rights among workers

- Village-level campaigns

Output 4. Strengthened capacities of local stakeholders

- Training for CSOs, mass organizations, cooperatives, community leaders





Output 5. Improved organisation and participation of female workers

- GALS trainings to promote women's leadership
- Awareness raising on gender roles and norms



Thank you!



2nd TICAF Annual Steering Committee Meeting

Lao PDR Sustainable Agrifood Systems Sector Project

Alexis Lebel, Senior Natural Resources and Agriculture Specialist

ADB

Objectives

Expected impact

Food security and nutrition improved, and agriculture exports increased in a climate resilient manner

Expected outcome

Climate resilient and gender-sensitive nutritious food production and agrifood value addition increased

Output 1

Smallholder access to financial, technical, and nutrition services improved in a climate resilient manner

Output 2

Agricultural enterprise value chains strengthened in a climate resilient manner

Output 3

Small-scale climate resilient infrastructure developed in support of target value chains

Output 4

Accreditation of food safety laboratories facilitated

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Implementation arrangements

Executing agency	MOIC operating through MSME Promotion Agency (MSMEPA)
Implementing agencies	○ MSME Promotion Agency of MOIC (Output 1 except for credit line, 2, 3 and 4) ○ Bank of Lao PDR (credit line under Output 1)
Implementation period	2025 – 2030
Project cost	○ ADB concessional loan of **$30m** ○ ACGF concessional loans for **$20m** ○ Asian Development Fund grant of **$5m** ○ Community Resilience Partnership Program grant of **$8m** **total $63m**
Modality	○ Sector loan ○ Financial intermediation loan

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Implementation status as of May 2026

- Most initial consulting contracts are signed
- Project Management Unit set-up and contracted staff recruited
- Implementation Support Consultants are onboarded and present in Vientiane
- Initial disbursement from ADB to LAFF took place ($4.7 million)
- Contracts between MOIC's MSMEPF and Sacombank, between LAFF and Acleda Bank Lao are being signed
- First disbursements to end-borrowers expected in June

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Thank you