

Lao People's Democratic Republic

## Systematic Mechanism for Safer Trade



COUNTRY FOCAL POINT	Department of Agriculture, under the Ministry of Agriculture and Forestry
DONOR	European Union
TIMEFRAME	2019-2022
TARGET GROUPS	Local farmers, small businesses and exporters, national government, institutions for food safety, plant health and standards

The Systematic Mechanism for Safer Trade (SYMST) project improves food safety through better governance in two beneficiary countries, the Lao People's Democratic Republic and Viet Nam.

Implemented by the International Trade Centre, the project strengthens the regulatory framework of plant health and pesticides control for fruits, vegetables and other plant products such as rice. By achieving this, exporters can better access regional and European Union (EU) markets.

**In the Lao People's Democratic Republic**, the project's systematic approach assists the government and the private sector in identifying, prioritizing and addressing challenges to comply with regulatory measures on plant health and pesticides.

Fruits, vegetable and plant products have significant export potential to the EU, the Association of Southeast Asian Nations and China. The project will enhance the regional and EU trade of safer products due to improved controls and safer use of pesticides.

The project's focal point and main national coordination body is the Department of Agriculture, under the Ministry of Agriculture and Forestry. A project coordination office, based in the Department of Agriculture (DOA), supports the project implementation with a National Project Coordinator designated by the government. The project targets three pilot provinces and the Provincial Agriculture Section of the DOA.

**Project beneficiaries** include:

- Department of Agriculture.
- Ministry of Health (Food and Drug Department).
- Ministry of Industry and Commerce.
- Trade and investment support institutions such as the Lao National Chamber of Commerce and Industry, and sector and consumer associations.
- Small and medium-sized enterprises and smallholder farmers.

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During the project's inception phase, stakeholders agreed to develop and test pilot model export value chains for replicability and scalability.

Demonstration sites for monitoring the improvement of practices and controls are:

1. Basil and chili in Pakse for export to the EU.
2. Watermelon in Luang Namtha for export to China.
3. Natural rice in Vientiane for export to the EU.

## CONTEXT

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Agriculture and food-related products are among the most regulated sectors in international trade.

Sanitary and phytosanitary measures and measures related to technical barriers to trade have become stringent, with importing countries expecting safe products for human consumption that do not harm animals, plants or the environment. Many importing countries have intensified their import controls and inspections, keeping some countries on their alert list to reduce these risks and eventually to place a ban on certain products.

One area of constant concern is the level of pesticides in agricultural products. Potential pesticides issues can constitute a major health and environmental concern. They could affect the export potential of fruits, vegetables and other plant

products and regularly lead to trade issues, such as exceeding the allowed residue levels. This challenge often derives from lacking an effective regulatory framework for registering and controlling pesticides, lacking the capacity to keep existing pesticides under scientific review, or lacking the resources for national residue monitoring programmes.

Further, potential plant health issues could also affect the export of plant and plant products with some countries enforcing tighter regulations. To reduce the risk of transmission of plant pests and diseases in agricultural products, the EU is tightening its controls: countries exporting to the EU have to comply with the new Regulation (EU) 2016/2031 on plant health that came into force on 14 December 2019.

## EXPECTED RESULTS

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### 1) Awareness and knowledge

Improved awareness and knowledge of the private sector and public authorities on plant health and pesticides issues in fruits, vegetables and other plant products.

### 2) Complying with regulations, controls

Improved performance of the regulatory and control institutions. Improved capacity of supply-chain actors in the fruits and vegetables sector and for other plant products to comply with plant health and pesticides controls.

### 3) Market access and business opportunities

Strengthened market access and business opportunities for exporters of fruits, vegetables and other plant products to the EU and regional markets.



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