

PROJECT BRIEF

United Nations Development Programme



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BRAND LAO – FOR BETTER LIVELIHOODS

Project Description

Economic growth in Lao PDR has been strong for several years in a row. This impressive result has been primarily driven by the non-agricultural sector through export of natural resources, either minerals extracted, or energy produced via hydropower. However, it has not sufficiently resulted in employment and livelihood creation. The agricultural sector still employs approximately 70 per cent of the population, but it is a sector characterized by low productivity and high vulnerability. As a result, it has been difficult to lift people out of poverty and reduce the gap between rich and poor.

This project aims at identifying potential profitable Lao “niche” products to be better market on the domestic and possibly international markets. The ultimate objective will be to substantially raise income for producers, farmers and service providers involved at every stage of the value chains operated by those who join the scheme, benefiting directly from the export.



Lao PDR is well known for its high-quality silk woven products. Photo: UNDP Lao PDR/Katia Gruetter

Project Summary:

- **Duration:** September 2017 – December 2019
- **Geographic coverage:** Nation wide
- **Focus area:** Poverty reduction
- **Implementing partners:** Lao National Chamber of Commerce and Industry (LNCCI)

Special techniques will be adopted to identify 'competitive advantages' of Lao PDR from the point of view of the international consumers, particularly the 'ethical consumer' - a large group of international clients willing to pay premium prices in return for various assurances and product benefits, including ethical guarantees and natural/organic items. Although it will build on previous studies, this project will invoke a new analysis and innovative approach to poverty reduction in Lao PDR.



Rice is the biggest Lao PDR's agricultural commodity in terms of farmers involved in production, cropland area allocated, and food consumption. Photo: UNDP Lao PDR

Several products (tea, rice, coffee, silk-based clothing - among others) and tourism, particularly eco-tourism, have been considered and will be assessed further for how to develop their international appeal to the fullest extent.

Producers and enterprises will market these products to international consumers with higher profit margins with the help of high-quality product development, branding and a specialised sales structure. These products will be marketed under the 'Lao Brand', a presentation featuring and reinforcing the uniqueness of Lao culture with a credible, sustainable and ethical appeal to consumers in Asia, Europe and elsewhere in advanced economies. The 'Lao brand' aims to guarantee fair income and treatment to local communities, including the producers.

Main Objectives and Outcomes

The target objective is the creation of a launching pad for the "Lao Brand", bringing inclusive prosperity and development through premium sales. To achieve this, the project will be implemented by and in a close collaboration with the Lao National Chamber of Commerce & Industry (LNCCI). This project will build a sustainable foundation upon which larger scale interventions can support the priorities identified in the Government of Lao PDR - UNDP Country Programme Document, as well as help with successful implementation of the 8th five-year National Socio-Economic Development Plan (NSED 2016-2020), the aspiration to graduate from the status of a Least Developed Country (LDC) by 2020s' and eventually ensure progress on the Sustainable Development Goals (SDGs) until 2030.



Serving as Laos' main export commodity, coffee has significantly raised the incomes of farmers. Photo: UNDP Lao PDR

The expected outcomes are:

- Produce a long-list and an evidence-based prioritized shortlist, of eligible products;
- Analyse, study and select the most appropriate market trends in foreign markets, consumer groups, and the most effective brand messages for those groups;

Funding:

- **Total project budget:** USD 490,000
- **UNDP:** USD 300,000

- Establish the Lao Brand Promotion Facility at the LNCCI: permanent, highly professional marketing management resource for the private sector;
- Establish the structure of export marketing groups in several of the selected sectors, identify appropriate suitable enterprises as members and help them create their plans, quality and responsibility charters, and devise roadmaps for export.

The long-term impact of the project is for Lao PDR to achieve the Agenda 2030 and LDC graduation by increasing economic opportunities and therefore lifting people out of poverty.

Partnerships

The LNCCI and UNDP are key partners in this project, through giving Lao business, particularly SMEs and startups, the structures and expertise to participate in international trade, and profitable brands for direct sales. Such development is to be the central theme at the LNCCI, which bridges the private sector and the public sector.

Importantly, it will involve consultation and advocacy with line ministries such as Agriculture and Forestry, Information, Culture and Tourism, Natural Resources and Environment, Science and Technology. UNDP will maintain the dialogue on practical ways in which rapid and socially responsible growth can come from the private sector.

Additional and complementary partnership will be sought throughout the project for enhanced results.

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Sustainable
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