

Application Procedures:

A

- PAFO/DAFO launches marketing and information campaign
- Call for expression of interest from farmers/producers to form into farmer groups in adopting agriculture technology

B

- PAFO/DAFO organizes farmers into and register farmer groups as SMG and FPG at District Agriculture and Forestry Office
- Establish Farmer Group Committee and open bank account at nearest local banks
- Identify SMG/FPG needs of training, production and post-harvest handling technology

C

- PAFO/DAFO provides training on Investment Plan preparation, GAP, Seed Multiplication and Organic Agriculture
- PAFO/DAFO assists SMG/FPGs to prepare Investment Plan
- SMG/FPG submits Investment Plan to PAFO and NPMO

D

- Investment Plans are evaluated by an Evaluation Committee established by PAFO and the evaluation scores and feedbacks are communicated to SMG/FPGs
- If score passes the minimum score requirement, PAFO invites SMG/FPGs to sign Letter of Grant Agreement between Director of PAFO and President of SMG/FPG

E

- SMG/FPG implements Investment Plan and request for first tranche reimbursement up to 90 percent of matching grant
- SMG/FPG adopts technology packages (GAP, Seed Multiplication, Organic Agriculture) up to 50% by members
- PAFO/NPMO releases final tranche of reimbursement of completed activities upon valid verification of technology adoption

Targeted Farmer Groups:

Farmer groups who are established as seed multiplication group (SMG) and Farmer Production Groups (FPG) in project districts and provinces:

1. Khammouane Province: Rice and horticulture value chains in Mahaxay, Xaybuathong and Nhommalath districts.
2. Bolikhamxay Province: Rice and horticulture value chains in Bolikhanh, Parksane and Thaphabath districts.
3. Xayabury Province: Rice, maize and horticulture value chains in Phiang, Parklai, Xayaboury and Xienghone districts.
4. Vientiane Province: Rice and horticulture value chains in Thoulakhom district.
5. Vientiane Capital: Rice and horticulture value chains in Hatxayfong, Parknguem and Xaythany districts.

**For further information and inquiries,
please feel free to contact focal point project staff below:**

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Department of Planning and Finance

Lao Agriculture Competitiveness Project (LACP)

Matching Grant For Farmer Group



About Matching Grant for Farmer Groups:

Matching Grant for Farmer Groups (MFG) is under the Lao PDR Agriculture Competitiveness Project (LACP), financed by the World Bank and implemented by the Ministry of Agriculture and Forestry (MAF) and the Ministry of Industry and Commerce (MOIC), aiming to increase the competitiveness of selected agricultural value chains in the project areas.

MFG will contribute to the ability of farmers to increase land productivity by accessing to new agricultural technology, producing quality agriculture produces, linking to markets through productive partnership and increasing agricultural produce sales.

Objectives of MFG:

MFG aims to promote the adoption of good varieties and high-quality seeds by Seed Multiplication Group (SMG) and the adoption of Good Agricultural Practices (GAP) (i.e. use of certified seeds, sustainable soil and water management, integrated pest management, alternative dry and wet practices in rice farming and crop rotation and diversification) by Farmer Production Group (FPG). MFG is a single matching grant mechanism for farmer groups with two windows:

- (A) Matching Grant is provided to the selected SMGs to carry out Investment Plans (sub-project) for improving the production and postharvest handling, packaging and storage of quality seeds.
- (B) Matching Grant is provided to the selected FPGs to carry out Sub-projects that implement GAP to improve quality and

ensure effective postharvest handling, packaging, and storage of farm produce.



(SMG)



(FPG)

Matching Grants Funding Rules:

1. Matching Grant Ratio

The Matching Grant Ratio is a maximum of 80 percent of the approved investment plan. The matching grant will not exceed a maximum amount of US\$16,000 per grant per group.

2. Eligibility Criteria

SMGs	FPGs
<ul style="list-style-type: none">Organized in group of 20 membersCommitted to adopting technology packages (i.e. seed multiplication, GAP, organic techniques)Committed to linking with FPGs and agribusinesses to market their producesAble to make contribution of 20 percentAt least 35 percent of female members	<ul style="list-style-type: none">Organized in group of 50 membersCommitted to adopting technology packages (i.e. GAP and organic techniques)Committed to linking with FPGs and agribusinesses to market their producesAble to make contribution of 20 percentAt least 35 percent of female members

3. Eligible Expenditures

Project	SMG
Purchase of certified R1/R2 seeds	Land preparation
Individual/collective equipment, facilities and small civil work:	Farm inputs
- Farm production	Water pumping costs
- Post-harvest handling	Electricity costs
- Packaging	Labour
- Storage of quality seeds	Certification fees

Project	FPG
Purchase of certified R3 seeds	Land preparation
Individual/collective equipment, facilities and small work:	Farm inputs
- GAP production	Water pumping costs
- Post-harvest handling	Electricity costs
- Packaging	Labour
- Storage of farm produce	Certification and inspection fees

4. Compliance with Environmental and Social Safeguard Policies

Implementation of activities would need to comply with the World Bank environmental and social safeguard policies and should not include activities which are prohibited under the Environmental and Social Safeguard Management Framework (ESMF).

Matching Grant Cycle:

Farmers in target districts of the project provinces who are interested in obtaining matching grants can express their interest to the District Agriculture and Forestry Office (DAFO) and Provincial Agriculture and Forestry Office (PAFO) whenever they are ready to participate.

Within one month after they express their interest, the PAFO and DAFO will assist interested farmers to form SMGs or FPGs and carry out the registration at the district level.

After each farming cycle (i.e. 4–6 months), the groups will be guided to conduct self-assessment of adoption of agricultural technology packages or the required farming techniques to monitor the progress and provide the basis for the last tranche disbursement.