

# Press Review



Press clipping GIZ Laos

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# Micro finance institutes enjoy robust expansion

## Times Reporters

Microfinance institutes in Laos have seen a remarkable growth over the past year, according to a senior official from the Bank of the Lao PDR.

The bank's Financial Institution Supervision Department Director General, Dr Arkhom Pasert reported last week on the business operations of microfinance institutes in Laos.

According to Dr Arkhom, microfinance institutes in Laos made 6.4 billion kip profits in 2013 while the assets held by the firms totalled 217.6 billion

kip for the same year.

The institutes saw a 15.7 percent debt rise, an 87 percent capital increase and 72 percent deposit increase and while credit extended by the firm saw a 38 percent rise.

The number of people who deposited their money at the microfinance institutes reached some 73,500 people, of which 48,700 odd were women.

There were almost 27,000 people seeking loans from the institutes, an increase of 28 percent compared to 2012. Just over 15,500 of them were women.

There are a considerable

number of microfinance institutes registered with the Bank of the Lao PDR, including 12 deposit taking financial institutes and 27 non-deposit taking financial institutes.

The country also has 21 savings credit unions, 30 pawnshops, and 12 leasing companies. Laos also has five finance transfer companies.

The microfinance supervision department joined hands with international organisations in Laos to develop microfinance, aiming to help people with low incomes to access financial services.

# Germany invests in vocational education



Associate Professor Dr Kongsy Sengmany (second left) and Mr Robert von Rimscha (third left) at the Lao-German Technical School in Vientiane.

## Advertorial Desk

**T**he government of Germany will invest around 20 billion kip to enhance the quality and quantity of technical vocational education at the Lao-German Technical School in Vientiane.

The project, run in association with KfW German Development Bank, will fund the construction of two classroom and workshop buildings and equipment for the school's automotive technology and electrical engineering courses.

At the project's ground breaking ceremony on Wednesday, school Director Mr Somlith Virivong said the project will enable a further 500 students to receive technical education at the school in addition to the 800 current students.

He said the fund will also contribute to upgrading existing infrastructure throughout the school site like electrical and water supply.

Locally-based Sengthong Construction Development Group Company is set to begin construction on the two three-storey buildings shortly with the project slated for completion in around 15 months.

"This investment will improve the skills and competitiveness of Lao workers, especially with respect to Asean economic integration," said Mr Robert von Rimscha, German Ambassador to Laos.

"Qualified workers lead to more successful firms and are the key to a dynamic private sector and economic development of this country."

According to a statement from KfW German Development Bank, one of the main drivers of national economic development besides economic growth and a dynamic private sector is the qualification of the Lao workforce.

As a shortage of qualified skilled workers persists across several sectors in Laos, German support is aimed at training youth for the Lao labour market.

The ground breaking ceremony was attended by the Deputy Minister of Education and Sports Associate Professor Dr Kongsy Sengmany along with the attendance of other

invited guests.

The Lao-German Technical School was founded in 1964 with German support. The school has trained over 10,000 students who have since been integrated into the labour market.

The Lao-German Technical School cooperates with several private sector firms to provide internships and on-the-job training to students and more than 90 percent of graduates find employment immediately after graduating as the demand of industry is high.

The German government through KfW and Gesellschaft für Internationale Zusammenarbeit (GIZ) Laos continues to support the vocational training sector in Laos. It is expected that between 2004 and 2015, a total of 10 vocational schools will have been extended, rehabilitated or newly constructed and equipped with machinery, teaching aids and tools in selected trades.

Six schools in the northern provinces of Oudomxay, Xieng Khuang, Luang Namtha, Phongsaly, Huaphan and Xayaboury, have been in operation since 2010. An additional three schools in Xekong, Saravan and Attapeu provinces, are currently being constructed.

KfW Development Bank is one of the world's leading and most experienced promotional



banks. Established in 1948 as a public law institution, KfW is owned 80 percent by the Federal Republic of Germany and 20 percent by the federal states. It carries out Germany's Financial Cooperation (FC) with developing countries on behalf of the Federal Government.

Its goal is to combat poverty, secure the peace, protect the environment and the climate and make globalisation fair. KfW is a competent and strategic advisor on current development issues.



A rendering of the planned automotive technology building.



A rendering of the planned electrical engineering building.

# ECCIL launches investment guide in Laos

Bounfaeng Phaymanivong

The European Chamber of Commerce and Industry in Laos (ECCIL) launched an Investment Guide in Vientiane last Friday.

The guide will give a comprehensive overview of the Lao Business environment and help investors to understand the country's complex regulatory framework and how to deal with it.

Deputy Minister of Planning and Investment, Dr Bounthavy Sisouphanthong and German Ambassador to Laos, Mr Robert von Rimscha were joined by other officials at the ceremony.

Speaking at the event, Mr von Rimscha said "Laos offers plenty of investment opportunities, however, a new investment is a long-term commitment. Potential investors need to know the Lao business environment and its framework."

He hoped that the Investment Guide which has been developed with German support will prove to be a useful tool by assisting companies in their decision-making process.

The Investment Guide for Laos is a practical tool for



Dr Bounthavy Sisouphanthong gives a welcome speech at the launch ceremony in Vientiane last Friday.

anybody who wants to start a business in the country.

The guide shows the country's dynamically developing economy, politically stable environment and unique geographic position which offer lucrative opportunities for international businesses in the different fields of agriculture, the resource sector, manufacturing and tourism.

The Investment Guide, which is available at ECCIL, analyses the country's growing infrastructure and business sectors, helping potential investors to identify

opportunities for a market-entry and to determine where demand is rising.

The creation of the Investment Guide was supported by the Lao-German development cooperation programme for Human Resource Development for a Market Economy.

The programme is about improving the conditions for private sector development in Laos and cooperating closely with the Lao and the European Chambers of Commerce as well as with the Ministry of Planning and Investment.



German Ambassador to Laos, Mr Robert von Rimscha (*right*), shakes hands with the Pasteur Institute's Director, Mr Paul Brey, following the embassy's donation of a centrifuge worth US\$11,000 for dengue research at the institute.



Lao – India Entrepreneurship Development Center (LIEDC) and Access to Finance for the Poor (AFP) has joint together for the cause of promoting the Financial Literacy Campaign in a various target villages in Lao PDR.



LIEDC has organized the financial literacy campaign in order to support the villagers who would like to learn more on how to better manage their finance and how to prioritize their financial behavior.

The aim of this campaign is to increase the village people's basic knowledge on economic and financial issues related to their present and future living condition and to improve financial behavior of the village bank members concerning with their financial service providers, especially to the village banks and the village bank centers.

Since July 2012, the members of village bank being serviced by the GIZ/AFP increased up to 32 villages comprising more than 2.605 participants.

A service of financial literacy campaign is currently being implemented in 02 villages as a pilot supported by the Non-deposit taking Micro-Finance Institute Vilabouly Denkham in Vilabouly District, Savannakhet province, 15 villages in 04 districts, Attapeu province supported by Thaveexab Non-deposit taking Micro-Finance Institute and 15 villages in Nalae district, Luangnamtha province supported by Homxab Phathana Non-deposit taking Micro-Finance Institute.

The one day training event in each village was an interactive practice using presentation, visual tools, method exercises and role plays in groups for the provision of knowledge on economic and financial issues as well as saving tactics.



## National Protected Areas are key to protect biodiversity and wildlife in Laos

**ProCEED**  
Promotion of Climate-related Environmental Education

Environment – We care today for tomorrow

**H**uman well-being depends on nature. For nature to be balanced and healthy, the biological diversity of ecosystems needs to be maintained—meaning the diversity of animal and plant species.

Ecosystems refer to the inter-relationship between living and non-living systems that exist in nature. Deserts, forests, wetlands, grasslands, rivers, oceans, and croplands are all examples of ecosystems.

These ecosystems provide different products or 'services' that are valuable for people. These products range from food, water, timber, medicines and minerals to energy through hydropower or biofuels.

In Laos, non-timber forest products, such as medical plants, bamboo shoots, mushrooms, wild fruits and vegetables, honey and seeds contribute to the food security of rural populations. Material for house construction and handicraft production like bamboo, rattan, broom grass and paper mulberry are provided by ecosystems.

Agricultural and forest resources also have a significant commercial and trade value. Timber, minerals and energy produced by hydropower are vital economic resources that contribute to Laos' income and development. Further, ecosystems provide clean water and air to the people.

Often ecosystems also have a cultural, spiritual and recreational meaning and value. In Laos, many ethnic groups and local communities are strongly connected to beliefs, taboos and spirits related to local traditions.

These beliefs are often highly associated with respect for nature and the worshipping of land and its natural resources. For example, almost every Lao village has a holy or spirit

forest, which is used as burial grounds or set aside as a refuge for spirits.

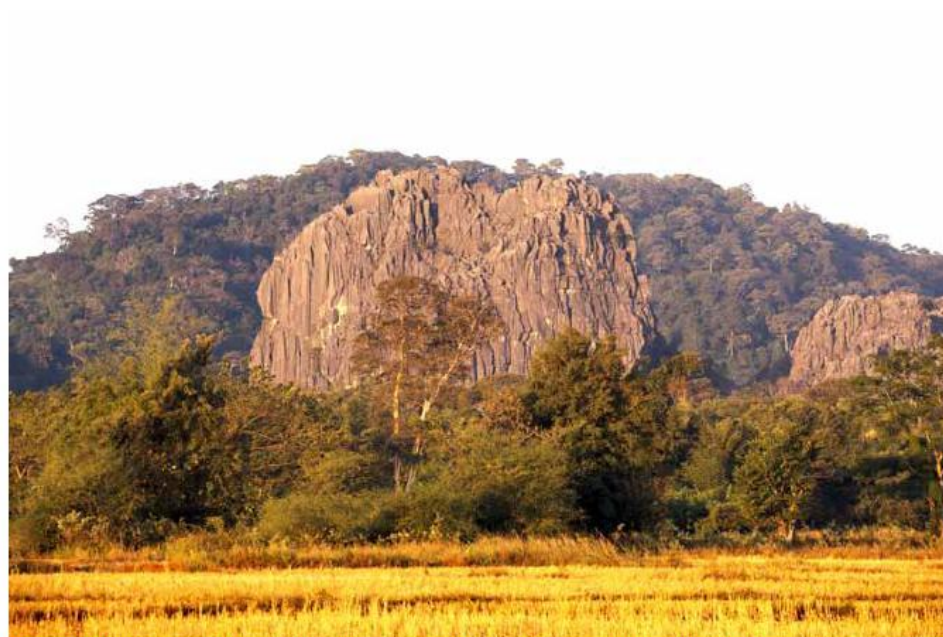
Even though these areas have been decreasing due to demand for more land, spirit forests and other sacred natural sites have cultural values worth protecting. Ecosystems also have a highly recreational value. Outdoor activities, such as hiking, picnicking or camping are a pleasurable, enjoyable and healthy way to enjoy nature.

Laos is a very biodiversity-rich country with a range of different ecosystems, ranging from the northern and eastern mountainous areas to the lowland plains. But many ecosystems are harmed and plant and animal species are declining. In Laos, 60 mammal and 74 bird species have been classified as threatened or nearly threatened. Plants are hardly monitored at all and a lot remain unknown.

Important causes for biodiversity loss in Laos are overexploitation of timber, unsustainable hunting and fishing practices and illegal trade of wildlife. Just as important are the expansion of agricultural areas through plantation and slash and burn agriculture as well as infrastructure developments and expansion. Further causes are structural poverty that leads to unsustainable resource use as well as floods, droughts and landslides.

But forests, biodiversity and wildlife are people's assets that sustain livelihoods and protect people against the impacts of climate change. To protect these assets for future generations, the Lao government has established 24 National Protected Areas (NPA) and two corridors between them so that species can move freely.

Area under protection covers 21 percent of the



Hin Nam No National Protected Area in Khammuan province provides a refuge for numerous plants and wild animals

country. Apart from forest NPA this includes two wetlands of international importance in the south of Laos.

The target of the Convention of Biological Diversity is to designate 17 percent as Protected Areas by 2020 in each country.

This means that Laos has already designated more areas for protection than the global target requires. The International Union for the Conservation of Nature (IUCN) defines NPAs as "A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values."

NPAs are therefore established within geographical boundaries to maintain natural ecosystems for plants and animals of high biodiversity value. They limit human occupation and restrict natural resource utilisation and development activities harmful to the area's environment. Decree 164/PM states that NPAs are to protect biodiversity in forests, of plants and wildlife, promote research, cultural and tourism purposes, and sustain the use of forest resources by villagers.

NPAs need adequate management to achieve their main objectives. Therefore, the areas are divided into different zones where specific activities can or cannot be implemented. This helps the management of

natural resources, resident and visitor use, and the access to and maintenance of the area. Management activities include zoning, patrolling, species monitoring, maintenance and research. Laws and

regulations support NPA management through specific rules and guidelines. Protected area management is not implemented in isolation but is part of the Lao PDR's Socio-Economic Development Plan.

*This article has been contributed by ProCEED (Promotion of Climate-related Environmental Education, a project supported by the German government and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Department of Environmental Quality Promotion of the Ministry of Natural Resources and Environment. This article has been developed in close cooperation with the Hin Nam No Project implemented by GIZ GmbH and the Department of Forest Resource Management of MoNRE.*



## German govt. to spend 20m euro saving tigers

Times Reporters

The German government has given Laos funding to spend conserving its remaining population of tigers, in a scheme managed by the International Union for Conservation of Nature (IUCN).

According to a press release from IUCN, a total sum of 20 million euro, which will be provided through the German government's KfW Development Bank, will be used on tiger conservation in a number of eligible countries.

Besides Laos, the countries include Bangladesh, Bhutan, Cambodia, India, Indonesia,

Myanmar, Nepal and Vietnam.

The aim of the programme is to increase the number of tigers in the wild and improve the livelihoods of communities living inside or nearby their habitat areas.

The agreement was signed this week at IUCN Headquarters in Gland, Switzerland.

"The tiger is the face of Asia's biodiversity and an emblem of the world's natural heritage," IUCN Director General Julia Marton-Lefevre said.

"This generous support from Germany provides great hope for this iconic species, which is currently on the brink of extinction."

The IUCN said any NGOs or associations in Laos working with the government could submit their proposals on how best to protect the species.

The plight of tigers in Laos is serious and the number remaining is difficult to determine, the Wildlife Conservation Society (WCS) in Laos said.

WCS was able to capture two individual tigers in the Nam Et Phou Louey National Protected Area, Huaphanh province in 2012.

Saving the tiger depends on restoring its rapidly shrinking forest habitat, according to the press release.

The five-year Integrated Tiger Habitat Conservation Programme will benefit NGOs and conservation authorities from selected countries which, at the St Petersburg Tiger Summit in 2010, committed to doubling the number of tigers within their territories by 2020.

The programme will involve improving the management of tiger habitats, tackling problems with the relationship between tigers and humans, increasing anti-poaching efforts and law enforcement and involving local communities in tiger conservation work.

"Ensuring the survival of tiger populations means keeping ecosystems intact," Dr Norbert Kloppenburg, a member of the KfW Group Executive Board, said.

"Tiger habitats offer prospects for tourism and guarantee the livelihood of the local community thanks to their diverse natural resources. If we make efforts to conserve these natural areas, we will directly alleviate poverty for the people living there," Dr Kloppenburg said.

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The tiger (*panthera tigris*) is classified as endangered on the IUCN Red List of Threatened Species.

There are probably less than 2,500 adult individuals currently surviving in the wild, down from 100,000 a century ago, the press release said.