

MISSION ON LAO PDR COMPETITIVENESS AND TRADE PROJECT (P164813)

February 1-17, 2021

Aide Memoire

- (1) Mid-term Review Mission for the Lao PDR Competitiveness and Trade Project (P164813) and
- (2) Appraisal of MDTF Additional Financing for Lao PDR Competitiveness and Trade Project

Key Project Information as of February 2021			
Project Number: P164813			
IDA 6318	USD 10 million	Disbursements	USD 4.53 million
		Inc. committed funds	USD 5.5 million
MDTF TF073096	USD 3 million	Disbursement	USD 1.19 million
		Inc. committed funds	USD 1.6 million
Board approval	27-Sep-2018	Closing date	31-Dec-2022
Implementation rating	<i>Satisfactory</i>	PDO rating	<i>Moderately Satisfactory</i>

I. MISSION OBJECTIVES

1. From February 1-17, 2021, the World Bank (WB) team¹, the Ministry of Industry and Commerce (MOIC) and representatives from Australia/DFAT, the Republic of Ireland and the United States/USAID carried out the above-mentioned mission. The objectives of the mission were to 1) Review progress made at mid-term toward project objectives; and 2) Appraise, pending final management approval and discussions with donors, potential Additional Financing for the project to support the Government of Lao PDR (GOL) response to the COVID-19 crisis.
2. The mission would like to express its sincere appreciation to H.E. Minister Khemmani Pholsena for her leadership and guidance. The team would also like to sincerely thank Mr. Phouvieng Phongsa (Director General, Department of Planning and Cooperation and National Implementation Unit (NIU) Program Director) and all the members of the many departments who contributed to the productive discussions during the mission. The mission benefited from the mid-term progress report prepared by the NIU and shared with the team ahead of the mission.² The team also thanks the WB Country Management Unit team for their support.
3. The main findings and next steps summarized in this Aide Memoire were discussed at a wrap up meeting chaired by the Minister of MOIC on February 17, 2021. Relevant comments from stakeholders during and after the wrap-up meeting have been reflected in the final version. The AM serves as Mid-Term Review report with detailed lessons learned reported in Annex. In line with the World Bank's Access to Information policy, the Government agreed that the Aide Memoire would be publicly disclosed.
4. This aide-memoire has four sections. Section II and III summarize the progress, challenges and recommendations at the project level at mid-term. Section IV provides an outline of the structure, timeline and scale of the potential additional financing.
5. **List of Annexes:** Annex 1 – Action Plan; Annex 2 – Lessons Learned at Mid-Term; Annex 3 – Updated Results Framework; Annex 4 – Summary Changes to the Results Framework under Proposed Restructuring; Annex 5 – Detailed Findings; Annex 6 – Participants and Persons Met.

II. STRATEGIC CONTEXT AND OVERALL PROGRESS

6. **The Project Development Objective (PDO)** of the Lao PDR Competitiveness and Trade Project (LCTP) is “to simplify business regulations, facilitate trade, and improve firm-level competitiveness”. The project has four components: Pillar A – Improving the Business Environment; Pillar B – Facilitating Trade and Connecting to Markets; and Pillar C – Improving Firm-Level Competitiveness and Pillar D –

¹ See list of participants in Annex 6

² <http://www.t4dlaos.org/pec/#>

Supporting Better and More Inclusive Policies. The MOIC is the lead implementing ministry for the project. The Project is co-funded by the World Bank (US\$10 million), and Australia, Ireland, and USAID through a Multi-donor grant (US\$3 million). The project was approved by the Bank on September 27, 2018 and became effective on December 10, 2018. The current closing date is December 31, 2022.

7. **A year into the COVID-19 crisis, the limited number of formally reported COVID-19 cases in Laos hides significant economic stress**, especially considering the major effects on Laos' important trade partners. GDP growth fell from 5.5 percent in 2019 to just 0.4 percent in 2020, the lowest level in three decades. The tourism industry, an important driver of private sector growth and major employer especially for women, has been hit the hardest. The private sector has also suffered from the disruption of manufacturing global value chains, and limited levels of imports and exports. The unemployment rate raised to 23.4 percent in 2020 from 16 percent at the end of 2019. With fiscal space highly constrained, authorities have struggled to mitigate the impact of COVID-19. Firms are at risk of going out of business and households linked to those firms are at risk of slipping into poverty. The poverty rate (measured as US\$ 3.20 a day, 2011 PPP) is expected to increase by at least 1.7 percentage points in 2020 compared to a non-COVID-19 scenario. Economic recovery is also likely to be long and gradual due to continued mobility restrictions, trade disruptions and sectoral challenges.
8. **Overall Implementation Status.** The mission found that implementation progress is *Satisfactory*. Progress toward the PDO is advancing toward project objectives and is rated *Moderately Satisfactory* as per last ISR. The PDO was reviewed and remains relevant and achievable. Mobility and travel restrictions imposed amid COVID-19 continue to pose challenges across all components although to a varying extent. The technical work has advanced, and significant progress has been made in delivering outputs under all components. The mechanisms to translate those outputs into the needed policy changes are in place though progress have been slower especially under Pillars A and B where capacity, buy-in from implementing agencies (IAs) and inter-agencies coordination remain key challenges. Travel restrictions amid COVID-19 have especially slowed progress under Pillar B where work with international consultants has been affected. The Business Assistance Facility under Pillar C continues to perform robustly despite COVID-19. A gender "infrastructure" has been put in place for the project, and efforts are made to mainstream gender issues across all components and build basic technical capacity on gender within both the NIU and IAs. The project implementation unit has improved project and fiduciary management and inter-institutional coordination between line Ministries.
9. **The project is disbursing well.** After two years of implementation, 54 percent of the total US\$13 million has been committed, including 44 percent disbursed, slightly above the original projection.
10. **Extension of Closing Date:** Based on discussions, the Government has indicated it would formally request a two-year extension of the parent project closing date if Bank management agrees. This is the first restructuring of the project. The closing date of the parent project and proposed AF would be December 31, 2024. The preliminary estimate of when the national economy will reopen fully and begin to recover significantly is late 2024, given its reliance on trade and tourism. Bringing the proposed AF into alignment with the proposed closing date of the parent project would also facilitate overall implementation of the emergency relief and recovery activities in the AF and parent project activities.
11. **Results framework.** The original PDO would be maintained. If management approves the new closing date of the parent project, all indicator targets and dates would be updated to December 31, 2024. Most targets were also updated in line with the scaling up of the activities under AF to respond to COVID-19. There are no changes to the PDO indicators. One intermediate indicator is dropped and replaced with a new indicator to track progress more adequately under Pillar A by gender.
12. **Safeguards.** No safeguards are triggered under the parent project, and it is classified a Category C project (low risk). The existing Grievance Redress Mechanism has not detected any safeguards issues.
13. **Potential additional financing and COVID-19 waiver.** In this context and given the positive results achieved under the LCTP, the Australia/DFAT and USAID have committed additional funds to support the government's response to the COVID-19 pandemic through the LCTP. Pending final management approval and discussions with donors, the WB team will seek a COVID-19 waiver to process an Additional Financing (AF) for the LCTP under the emergency conditions. As of February 16th, the estimated amount available for potential AF is US\$6.5 million. A final amount will be determined at appraisal and indicators, activities and financing by component will be finalized. Activities and budget outlined in section IV of the AM are subject to later adjustments.

III. MID-TERM IMPLEMENTATION PROGRESS, ISSUES, AND RECOMMENDATIONS

a) Progress and Challenges by Component at Mid-Term

14. **Pillar A: Improving the Business Environment.** The objective is to eliminate barriers to business entry and operations in Laos. The three subcomponents are: (a) Making it easier to start a business; (b) Streamlining of and Publishing Operating Licenses; and (c) Supporting Broader Business Reforms. Overall performance is assessed satisfactory.
15. **Making it Easier to Start a Business.** PM Order No. 02 was adopted in February 2018 to improve regulations and the coordination mechanism on doing business in Lao PDR. Since then, several important simplifications to the business registration process have taken place. The time it takes to issue Enterprise Registration Certificates (ERC) has been reduced from 14 days (2018 baseline) to 10 days by regulation³ and 2.18 days in practice. In 2020, 14,096⁴ ERCs with Tax Identification Numbers (TIN) were issued, despite the impact of the COVID-19 lockdown. (iii) DERM publicized user-friendly and gender-sensitive reform materials (leaflet and video). A task force for starting a business was set up in December 2020, led by DERM and including public and private stakeholders at central and local levels.⁵ Ongoing efforts to mainstream gender under Component A.1 would benefit from gender-sensitive dissemination of reforms and reformulation of some indicators.
16. Issues and recommendations at mid-term. Several business registration procedures on taxation (orientation seminar, activation of TIN at tax authority) have been removed on paper, but the private sector reports that they are still required in practice (Annex 5). The mission suggested increased cooperation between DERM and Department of Tax in adopting a unique business ID and IT system integration and interoperability. The newly created Starting a Business Task Force (SB Task Force) provides the necessary mechanism for such inter-ministerial coordination and reform deepening. During the mission, it was agreed that the SB Task Force adopt an action-plan with clear and time-bound actions as well as commit to systematic reporting on progress to ensure accountability. The counterparts noted uneven implementation at the local level related to the issuance of ERCs (Annex 5). It was agreed that DERM would set up a dedicated project team (including IT staff from MoIC) to lead the next steps of the reform supported by A1 and A2. The mission identified communication of reform to the private sector and provincial and district level IAs as paramount to change perceptions about reforms. It was agreed that such communication would be gender sensitive. MoIC is in the process of revising the Law on Enterprises (LoE) during 2021. Given the importance of this law for private sector development, the mission recommends that MoIC conducts a holistic and comprehensive review of the LoE. Both a legal review and economic growth considerations are required. The NIU could include the procurement of technical expertise for this in its work plan and the mission team will support by reviewing ToRs for consultants.
17. **Streamlining and Publishing Operating Licenses (OL).** PM Order No. 03 issued in January 2020 designates MOIC to lead the reform agenda on operating licenses. Two task forces have been set up for implementation: an inter-ministerial task force established in January 2021; an MOIC licensing task force led by the Permanent Secretary's Office established in November 2020. Under the former, DERM agreed with the Investment Promotion Department (IPD) under the Ministry of Planning and Investment (MPI) to enhance collaboration in monitoring and supporting licensing reform by line ministries. A risk-based approach to regulate the OL system could be used within MOIC and would also be applied outside MOIC. DERM reported that the Ministry of Public Health and Ministry of Natural Resource and Environment might adopt a risk-based approach. Through the MOIC licensing task force, DERM has strengthened its leadership role to supervise and facilitate dialogue between three MOIC departments (DIMEX, DIH and DIT). The task force adopted an implementation plan with time-bound reform targets, regular dialogues and reporting on progress. It is reviewing the list of activities and corresponding OL to be streamlined within MOIC based on Ministerial Decision No. 0044 and the activities' risk level. All MOIC administered licenses and four sectors in the priority list for streamlining have been identified as

³ Ministerial Decision No.0023, dated Feb 1, 2019 Article 10 section 2.1.

⁴ From <http://www.erm.gov.la/index.php/en/explore-data-en/statistics> accessed on February 18, 2021 and covering registration from 01/01/2020 to 12/31/2020. Number for 2019 is 14,829.

⁵ The inter-ministerial SAB task force includes the following departments and/or line ministries: Tax Department, MOF; State Asset Department, MOF; Ministry of Information Culture and Tourism; Ministry of Public Security; Social Security Agency; Vientiane Capital Division of Industry and Commerce (provincial level); Vientiane Investment Division of Planning and Investment (provincial level).

of “particular interest to women”⁶. The selection process is scheduled to be completed by August 2021, including reform priorities. The Inventory of Business Licenses information portal⁷ was launched in January 2021 providing key information on 359 formalities including 149 business operating licenses.

18. **Issues at mid-term and recommendations.** The adoption of the PM Order 03 is a great step forward, but the line ministries’ technical departments have lagged in implementing the operating licenses agenda. Given that, the inter-ministerial licensing task force agreed to provide a list of 20 priority licenses to reform during the remainder of the project⁸. In addition, the MOIC licensing task force agreed to submit a list of priority MOIC operating license to be streamlined in the short-term (six month-one year). The operating licenses portal is managed by the ICT Division of DERM. The portal is an important solution to reducing risks related to COVID. The mission recommends MOIC updates content and promotes its use by the public and private sector. DERM agreed to assign, within the project team, a dedicated non-ICT staff familiar with regulatory procedures to this task. DERM/MOIC to issue guidelines for managing and updating the licensing portal. In the medium term, MOIC should propose to government to consider the establishment of a centralized authority to coordinate broader licensing reforms.
19. **Supporting Broader Business Reforms.** MPI has maintained a DB reform momentum, improved coordination, monitoring and reporting mechanism and involved the private sector. However, progress is constrained by a combination of lack of technical expertise and effective monitoring mechanism from the secretariat and ownership from IAs in charge of each area. Progress against action plans developed in early 2020 is monitored and reported to high-level management on a monthly basis. IPD as reform secretariat focused effort on few priority areas with largest potential impact for short term reforms. IPD followed up with each taskforce on Starting a Business, Dealing with Construction Permits, Getting Electricity and Paying Tax, and reported back to Deputy Prime Minister as MPI minister for guidance and support. Both DB and LBF secretariats worked together and exchanged on regulatory implementation gaps.⁹ There are three Challenge Fund (CF) proposals in implementation: Resolving Insolvency, Registering Property, and Enforcing Contract. The latter was approved in November 2020 and procurement process was launched. Forty seven percent of funds have been committed and implementation of the first two proposals is behind schedule due to operational challenges and COVID-19 impact that restricted travel of international experts.
20. **Issues at mid-term and recommendations.** The mission recommends IPD in collaboration with DERM proactively supports broader reform agenda beyond its own, especially licensing reform which will be undertaken by line ministries. The Prime Minister’s Office agreed to strengthen the monitoring and supervision of PM Order 02 and 03 and work closely with relevant secretariats. Developing key performance indicator (KPI) by IPD to monitor PM Order No. 02 implementation progress could enhance accountability. In addition, better communication on DB reform agenda to the private sector and public in Vientiane Capital would support effective implementation. IPD, in collaboration with NIU, agreed to strengthen management of the CF proposals. The mission also recommends IPD assigns dedicated staff to assist IAs with implementing CF proposals and follows-up on progress.
21. **MTR review of indicator for Pillar A.** All indicators dates were updated to match the proposed project extension of December 31, 2024. Revisions to indicators wording and targets agreed during the mission are reported in Annex 4.
22. **Lessons learnt.** While there is strong political will to improve the business environment especially in the COVID-19 context, a lack of effective coordination and monitoring system still constrain reform progress. Action plans with clear and time-bound tasks as well systematic monitoring and reporting on progress and issues to decision making level would keep relevant stakeholders accountable and stimulate reform progress. A more integrated reform effort is needed to limit coordination failure and ensure higher impact of reform. Resistance to reform from public officials and lack of awareness of changes from the private sector results in implementation gaps to the regulatory changes. A broader communication campaign as well as the introduction of mechanisms to receive feedback on reforms would help change

⁶ The four sectors include 1) agriculture, forestry & fishery; 2) human health and social activities; 3) accommodation and food; and 4) construction, transport and logistics.

⁷ <http://bned.moic.gov.la/en> .

⁸ This list includes 09 licenses identified and agreed prior to the MTR mission.

⁹ DB secretariat is held by IPD and is in charge of implementing PM order 02.

perceptions of the public sector towards service delivery, inform the private sector of the changes and increase accountability.

23. **Pillar B: Facilitating Trade and Connecting to Markets.** The objective is to advance trade facilitation reforms and reduce time, document required and cost of trading across borders. The component has two subcomponents: B1) Support for the National Trade Facilitation Committee and Secretariat; and B2) WTO Trade Facilitation Agreement Challenge Facility
24. *Overall progress has been satisfactory.* Progress in trade facilitation amongst key policy makers at the central and provincial levels is notable. Permanent inter-ministerial/inter-agency coordination structures have been strengthened at the central and provincial levels and concrete actions are being taken to identify and address trade facilitation issues, including bottlenecks to trade caused by the COVID-19 pandemic, and to facilitate post-pandemic recovery. Almost 90 percent of the WTO TFA CF fund has been committed in four approved CF proposals. An Integrated Risk Management Framework (IRMF) has been initiated among border agencies and a Joint Risk Management Committee (JRMC) under the leadership of the Lao Customs Department (LCD) has been established with representatives of DOA, DOLF and FDD, to reduce the time and costs of border clearance and documentary compliance.
25. **B1. Support of the National Trade Facilitation Committee.** The Committee and its Secretariat have gradually improved their effectiveness through capacity building programs, standard operating procedures, extensive technical level meetings/workshops with stakeholders and technical regulatory reviews to set priorities and identify solutions. The TFS held meetings and workshops with Provincial Trade Facilitation Committees. The mission recognized coordination progress but also noted that monitoring and reporting on progress on resolving issues raised at the provincial level needed to be improved and suggested an automated system to enhance case management.
26. *Time Release Study (TRS).* The 2020 TRS is being validated and finalized. Preliminary data indicate the results are encouraging with the average time from submission of customs declarations to customs release is 5 hours and 12 minutes compared to 8 hours and 10 minutes in 2019; a reduction of 2 hours and 56 minutes and below the end value target of 6 hours in the Results Framework. The TRS will form the basis of workshops with officials and agencies to identify opportunities for improvement. Once finalized the TRS results will be published and presented to the private sector.
27. *Public Sector Perception Survey.* These surveys are to be undertaken in collaboration with Lao National Chamber of Commerce & Industry (LNCCI) to assess government's progress under the TFA and actual corresponding reduction in time and cost to import and export. A first round of this survey is expected to be completed by June 2021. The survey will help validate the country's end project target commitments under TFA of 60 % by the end of the project, from a baseline of 21% at its start.
28. *Joint Risk Management Framework (JRMF).* The work has been initiated on developing a JRMF with formal instruction on modalities and implementation arrangements issued by MOIC in January 2021. Preliminary discussions have taken place between the LCD and participating agencies to familiarize officials with risk management principles and the selectivity capabilities of the ASYCUDA World system. Intense efforts and additional support will be required to assist agencies to analyze trade and compliance data and develop appropriate risk profiles for inclusion in the ASYCUDA system and support joint border inspections.
29. *Collaboration between the NTFS and Lao Business Forum (LBF) Secretariat* has been enhanced in the past year with discussions taking place on priority trade facilitation issues. Several trade related issues had been raised with the NTFS and resolved satisfactorily. The NTFS and the LNCCI are collaborating on preparations for the 13th LBF. The LNCCI stated its capacity to collaborate on trade facilitation issues was hampered by the limited capacity of its sector working groups, weaknesses in inter-ministerial coordination, and a lack of commitment by line agencies to resolve private sector issues. Additional support could be provided to the LBF Secretariat to carry out focused research and analysis on high priority trade facilitation issues (see Pillar D).
30. **B2. WTO Trade Facilitation Agreement Challenge Facility (CF).** Almost 90 percent of the CF fund has been committed in four approved proposals (LCD subproject—US\$ 500,000 million; FDD subproject—US\$ 452,000; DIMEX subproject—US\$ 311,377; DOA/DOLF subproject—US\$ 350,000). In the case of the CF projects for DIMEX, the Food and Drug Department, Department of Agriculture and Department of Livestock and Fisheries, progress has been satisfactory despite delays due to the

impact of COVID 19 which slowed recruitment of expert advisors and delayed delivering inputs and providing advice remotely. Progress of the LCD CF project is moderately satisfactory. Two international consultants failed to deliver outputs due to personal reasons and COVID-19 containment measures. Immediate attention is being paid to recruiting replacement consultants. The mission recommended implementation of CF proposals at an accelerated pace to contribute to the Government's rapid response to the economic consequences of Covid-19 and to facilitate post-pandemic recovery. In addition, the LCD CF proposal needs to be expanded to strengthen the capacity of the ASYCUDA ICT team, help participating agencies (DOA, DOLF, FDD) incorporate their risk profiles into the ASYCUDA system and gain allow their access to transaction data for research and analysis. Moving to pre-arrival assessment and paperless processing of customs declarations and supporting document is also central to reduce time and trade transaction costs at the border (See details in Annex 5 Details of MTR Findings). The mission recommends leveraging the Lao National Single Window (LNSW) facility (rolled out at Thanaleng crossing) for this purpose, particularly for uploading scanned copies of supporting documents and electronic payment of processing fees and other charges.

31. Issues at mid-term and recommendations. All activities have faced delays and challenges due to the impact of COVID 19. Difficulties included recruiting qualified international and national consultants and working remotely with consultants and client agencies. Many Pillar B activities are complex in their scope and coverage and require a high level of sustained inter-agency cooperation and collaboration.
32. MTR review of indicator of Pillar B. Progress toward targets of the results framework is on track for all indicators. The change is thus to update all targets and dates to match the proposed project extension of December 31, 2024 and envisaged additional financing (see Annex 4).
33. Lessons Learnt. Pillar B activities are complex in scope and nature and require high levels of technical skill and experience to successfully implement. For example, developing an IRMF has frequently taken many years to achieve, even in developed countries, with a strong culture of inter-agency collaboration. As such, the expected timeline for completion of Pillar B activities was relatively optimistic. To make progress on CF proposals participating agencies have needed to rely heavily on the technical skills of international experts. Unfortunately, COVID 19 difficulties and travel restrictions have meant much of the expected assistance has had to be delivered remotely. To make the most effective use of the remote international consultants, officials and consultants should plan regular communication and contact, including sharing translated papers, meeting minutes and reports on field visits.
34. **Pillar C: Improving Firm-level Competitiveness – Business Assistance Facility.** The objective of this component is to support individual private enterprises with business development services through a matching grant facility and help them raise their competitiveness.
35. Implementation Progress has been notable, despite the huge adverse impact on the private sector from COVID-19. In the early months of the pandemic, much of the private sector was rendered inactive, and demand for BAF services stalled. However, as of December 31, 112 grant applications were approved, with a value of \$900,000. Given the pandemic, and the ban on outside BDS providers travelling into Lao PDR, this is a commendable achievement. The matching grant facility demonstrated success with more virtual meetings and local outreach. Sixty percent of approved grants have been to women-led firms, well ahead of the 40 percent target set and 68 percent of total disbursed grants (34 out of 50) went to women. Assuming that travel restrictions are lifted within the next few months, that BAF is on track to achieve its targets, despite the pandemic.
36. Issues at mid-term and recommendations. Issues discussed during mission include donor coordination, microfinance institutions, and budget, staffing and responsibilities of the BAF team. (i) USAID will launch a new LBE Project, with a grant facility for private firms. The LBE facility might offer grants at more generous terms than those available from BAF. It was agreed that LBE and BAF will serve distinct segments of the private sector, ensuring complementarity. (ii) A request has been received for BAF2 to extend support to micro-finance institutions. The mission recommends that such support should be channeled through the WB proposed Financial Sector project, rather than via BAF. (iii) A request has been received from the BAF team that budget items be re-allocated based on experience so far and without increasing the total contract sum. The mission recommends the contractor has maximum possible flexibility in how contract sum is allocated. The mission suggests the contractor prepares a budget reallocation proposal, to be approved by NIU. (iv) To recover time lost due to the pandemic, the current BAF team could be increased. However, with no evidence that the demand for BAF services will

increase substantially soon, the staff should not be increased. When borders re-open, if demand increases, BAF team size should be reviewed. (v) The BAF team management proposed the Administrative Officer be given the title now of Associate Business Advisor to better reflect her advisory role in dealing with potential and actual BAF clients. The mission supports this proposal. Finally, (vi) Much of the work of the BAF team is not just simple “grant administration” but advising firms on how to best to grow their businesses. The mission has asked that future BAF Quarterly Reports indicate what percentage of team time is spent on this work.

37. **MTR review of indicator for Pillar C.** The change is to update all targets and dates to match the proposed project extension of December 31, 2024 and envisaged additional financing (see Annex4).
38. **Lessons learnt.** The first lesson is that some firms are creatively diversifying their activities to adapt to the COVID-19 situation. Tourism firms are moving into hospitality services for the domestic market. Local online services are expanding their offerings. Garment exporters are finding orders for healthcare items such as face masks and uniforms. One positive aspect of the sealed borders is that large international competitors are much less present on the domestic market, allowing domestic firms to capture domestic market shares and rely more heavily on domestic suppliers for their inputs. BAF by providing direct support to firm for business services irrespective of their sector is able to capture those firms and support them in taking advantage of new opportunities. Second, while Vientiane remains the center of demand, the South (with export-oriented zones) and the North (with the new China-Laos railroad) could potentially expand the demand for BAF services. BAF agreed to expand its outreach strategy to reach outside of Vientiane groups and zones with less access. In addition, synergies should be explored between BAF gender dissemination activities and broader gender-sensitive dissemination efforts of LCTP reforms under Component A.1 and A.2.
39. **Pillar D: Supporting Better and More Inclusive Policies.** There are three subcomponents: (a) Project Management and Coordination; (b) Improving Policy Making and Transparency; and (c) Supporting Public-Private Dialogue.
40. **Project management.** The NIU in the MOIC has a strong implementation.¹⁰ The NIU is improving project activities coordination, implementation of an efficient M&E system and fiduciary management. It is also strengthening the inter-institutional coordination between the two-line Ministries (MOIC and MPI) involved in the project implementation. Working relationships with some implementing agencies could be improved, with more support from MOIC senior management, MPI and the PMO. In collaboration with –the NIU organized jointly with Australia and EU¹¹ four Working Group meetings to facilitate policy dialogue trade and private sector development issues and ensure alignment of Government priorities and Donors support in this area.
41. **Issues at mid-term and recommendations.** As the project transitions from 2 years of planning to execution, the role of the NIU is shifting from managing inputs and budget to managing outputs and their implementation. This implies more quality assurance of outputs as well as close monitoring of IAs work plans. The mission recommends that the NIU hires an M&E consultant to insure smooth implementation of agreed action plans as well as leverage consultants and WB team technical advice. The mission recommended NIU takes the lead in the RF monitoring and incentivize IAs by reporting to Senior management on their progress and publicizing achievement more publicly.
42. **Gender.** There has been progress on mainstreaming gender issues. The LCTP started from an extremely low gender baseline, due to limited technical capacity on gender in the NIU and IAs, and no prior experience with gender-sensitive trade/business environment projects. Two years in, a gender “infrastructure” has been developed across all components, although ownership and capacity levels remain low. Yet, a number of important outputs have been delivered, as follow: i) A LCTP Gender Action has been produced, validated, and launched, including recommendations for gender-sensitive activities; ii) Gender focal points have been appointed in all IAs, in order to facilitate gender dialogue between the NIU and IAs and to support project implementation; iii) A formal definition of “women-led” and “women-owned” firms has been agreed upon, and the definitions are now systematically used

¹⁰ The NIU is responsible for overall project implementation monitoring, fiduciary oversight, and providing technical, procurement, and financial management support to IAs responsible for the technical implementation of the project activities. Each IA is responsible for providing inputs into work plans covering their activities, for the timely delivery of specific outputs, and providing progress reports to the PRC and PEC.

¹¹ Co-chairs of the Trade and Private Sector Working Group (TPSWG).

to track implementation progress against gender-sensitive indicators in the Results Framework; iv) The NIU delivered four gender capacity building activities for NIU staff and IA gender focal points; and v) A technical study on key constraints affecting women-owned and managed enterprises in doing business in Lao PDR, and activities that could be considered for support under LCTP. The study should be finalized by March of 2021.

43. Issues at mid-term and recommendations. Ownership and technical capacity remain low within NIU and IAs. The mission recommends improving communication and information sharing between the NIU and gender focal points, through regular coordination calls, a dedicated WhatsApp group, periodic brainstorming sessions etc. Preparation of a comprehensive gender capacity building plan targeting both NIU staff and IAs, featuring regular training and awareness-raising session by experts should be considered.
44. **Public-Private dialogue.** The Lao National Chamber of Commerce and Industry (LNCCI) has strengthened the public-private dialogue under the Lao Business Forum (LBF). Two LBF have been organized since project initiation under the Prime Minister chairmanship. The LBF has gained considerable visibility and traction in the past two years. The LBF secretariat is working on many issues. Two of the sixteen raised at LBF12 have been resolved. Preparation for the LBF13 is well advanced with 23 issues to be raised including access to incentives under investment promotion law; high transport cost within the country; VAT collection or support policies for businesses in tourism sector affected by COVID-19. Female participation at the forum and working groups is high and fifty-two percent of issues raised through the LBF are raised by women-led enterprises. The next LBF is scheduled for April 2021. LNCCI has over five technical working groups participate in regular public-private sector policy consultations.
45. Issues at mid-term and recommendations. The traction gained by the LNCCI offers the project a real opportunity to leverage the private sector through the LBF and accelerate business and trade reforms. What the LBF and LNCCI need is robust data and studies by national and international experts to back-up the issues they raise. Thus, the mission recommends allocating some budget which can be accessed by the LBF and its technical working groups, to fund such data and analytical work studies. In alignment with LBF preparation processes, further collaborative efforts are needed to raise LNCCI/LBF Secretariat's engagement in researching, analyzing and articulating high priority trade facilitation issues for NTFC consideration and action.
46. MTR review of indicators for Pillar D. The only change is to update all targets and dates to match the proposed project extension of December 31, 2024.
47. Lessons learned. First lesson learnt is that the lack of experience of some IAs led to significant delays in implementation and required additional support from NIU. Thus, increasing the monitoring capacity of the NIU as well as providing it with additional support on the technical side to improve the quality control would support effective implementation. Second, while progress have been achieved on the gender front, building gender technical capacity within the NIU and IAs, and, regularly disseminating LCTP reforms to (female) project end beneficiaries in a gender sensitive fashion would positively impact the delivery of all gender activities under the project. Finally, leveraging the private sector can increase the pace of reforms and their sustainability. Improving the ability of the LBF to build strong technical cases for the issues they raise with the government would help balance the public-private dialogue.

b) Fiduciary Summary, Issues and Recommendations

48. **Financial Management (FM).** Overall performance is *satisfactory*. All agreed actions from previous mission have been completed. Submission of the IFRs is timely and of acceptable quality providing project progress and information on the variance analysis between planned and actual expenditures. The next IFR covering the period from January to June 2021 is due for submission on August 15.
49. The first audit report was submitted to the Bank on time. The auditor's opinion was "unmodified" clean. The contract with the external auditor has been signed to cover the period up to the project closing date. The NIU should work closely with IAs to act on the recommendations made by the auditor, specifically on the timely clearing of advances, before the start of the new audit. The audit report for the fiscal year ending December 31, 2020 will be due for submission by June 30, 2021. The audit work plan was agreed with the auditor and the FY20 audit report and management letter will be submitted on time.

50. The request for additional FM staff (FM Assistant) based at NIU was approved, is in the procurement plan and budget has been allocated. The NIU is advised to complete the recruitment for this position as soon as possible.
51. **Disbursement.** Disbursements including commitments are at 54 percent of total financing, including 55 percent for IDA63180 and 52 percent for TFA9747.¹² The expenditure forecast for January to June 2021 was approved by the Bank in January. An advance ceiling of US\$1.5 million was approved and the funds were received on January 27. As implementation is accelerating, the project should ensure that there is enough funding in the designated account to meet the project needs for timely disbursement. The Bank Financial Management team will carry out a review of selected expenditures in March-April 2021.
52. **Procurement.** Overall progress has been satisfactory, despite delays for a few procurement activities (Table 3 in Annex 5 provides a list and agreed actions). The delays are mostly due to delays in receiving the technical inputs (TORs and technical specifications) by the IAs. The NIU staff handles all procurement currently.¹³ The mission observed that a procurement assistant (consultant) was hired to handle the procurement activities while a full-time government officer is assigned to oversee such activities since November 2020 and build in-house capacity in NIU. The common technical specifications (e.g. computers, office equipment) do not need international procurement specialist's review and comments. This should be reviewed by the relevant staff in NIU with technical expertise and cleared by the NIU procurement team to ensure competitive sourcing. The Bank has informed NIU that the FY21 virtual procurement post review (PPR) using the documents and information uploaded in STEP will be conducted in March 2021. NIU is requested to update all procurement information (including inspection & acceptance, and payment documents) in STEP.

IV. PROPOSED ADDITIONAL FINANCING (AF) TO LCTP

53. **The GoL, the World Bank and co-financing donors see the LCTP, especially the matching grant facility, as an important vehicle in the government's emergency response to the COVID-19 pandemic.** The negative consequences of the crisis for firms, their workers and dependent households stresses the importance of moving ahead on the policy changes and direct support to affected firms supported by the LCTP. The proposed AF would scale up existing activities under the parent project helping firms weather the shock, facilitate their ability to do business on the ground, access international markets for inputs and outputs, thus contributing to a higher level of firm survival and creating the formal jobs Laos needs and driving the economic recovery.
54. **The parent project is rated *Satisfactory*.** In the last ISR of June 2020 the PDO rated Moderately *Satisfactory* because of the country lockdown and travel restrictions imposed amid COVID-19. The institutional arrangements would remain the same with the NIU under the MOIC, remaining the main implementing agency for the AF. The project has been disbursing well. After two years of implementation, 54 percent of the total US\$13 million have been committed, 44 percent are actually disbursed, above target.
55. **Extension of Closing Date:** Based on discussions, the Government has indicated it would formally request a two-year extension of the parent project closing date if Bank management agrees. Given that agreement, the project closing date would be extended until December 31, 2024.
56. **Project Development Objectives.** The PDO remains unchanged. The activities would be adjusted to meet the challenges faced by the public and private sectors due to the COVID-19 pandemic.
57. **Results Framework.** Due to the proposed extension, it was agreed to tentatively update all indicator targets dates until December 31, 2024. Most indicator values were updated. One intermediate indicator is dropped and replaced with a new indicator to track progress under pillar A by gender more adequately.
58. **The potential risks and negative environmental and social impacts of the AF activities are negligible.** No safeguards are triggered under the parent project, and it is classified a Category C project (low risk). The category would be maintained for the proposed AF activities. The proposed AF does not

¹² The actual disbursement are 44 percent for all financing (45 percent of IDA funds and 40 percent of MDTF funds).

¹³ The NIU procurement team consists of NIU Director, NIU Deputy Director, Technical Officer as procurement coordinator, two national LCT procurement staff, and one international procurement advisor on intermittent basis. The international competitive contracts have been handled by international procurement adviser. Technical inputs have been provided by the three lead implementing departments with support from the national senior technical adviser

include civil works or any physical investments that would require land acquisition or cause displacement or impact on people's livelihood. The risks and impacts of original Project activities as assessed against the COVID-19 Specific Risk Considerations remain insignificant.

59. **The AF would scale up successful activities in the parent project.** The proposed AF activities described below would help firms respond to the COVID-19 crisis and support their economic recovery, as well as strengthen GoL capacity to provide key business services, forming an integral part of the GoL's COVID-19 response program. The proposed AF activities also build on operational experience and lessons learnt over the first two years of the project (see Annex 2). The AF is subject to bank approval. Activities and budget outlined below are not definitive and are subject to change between now and financing agreement agreed to by the Bank and GoL based on the AF project paper that will be prepared.
60. **Pillar A: Improving the Business Environment (AF for US\$ 1.4 million).** The AF would support the move of some business registration processes on-line, processes that have suffered from COVID-19 lockdown and restrictions. This will make such services more accessible to people with limited mobility while reducing face-to-face interactions or ensuring such interactions occur in compliance with COVID-19 preventive measures. The AF would also finance the dissemination and outreach around reforms, putting them in a COVID-19 context for government agencies and the businesses they serve. The communication strategy will be conducted in a gender-sensitive fashion and ensure adequate media are used to reach more vulnerable target groups. Proposed AF activities and corresponding budget include:
 - i. *Increase human and IT capacity at MOIC to implement online service delivery.* The AF would be used for infrastructure support including inter alia servers and computers but also support through consultancies that would ensure training of officials. On-line services reduce interactions and improve efficiency of response, and therefore lower the risk of contagion of COVID-19.
 - ii. *Improve MOIC communication of reform across all components and strengthening reform feedback mechanisms in a COVID-19 context.* The objective is to change perceptions and attitudes towards government service delivery and raise the private sector awareness and leverage its role to raise the pace for reforms. Activities supported would include, inter alia, a rebranding of business registration offices at central, provincial and district level. The offices would have re-designed and streamlined workflow and service standards to limit face-to-face interaction and ensure fast and safe service delivery in a COVID-19 context. Rebranding effort will include gender-focused messages and, where appropriate, local languages in signs and materials.
 - iii. *Support implementation of reforms of licensing and other regulatory compliance instruments (incl. risk-based approaches) and corresponding capacity building.* The AF would support inter alia the move of information on operating licensing procedures to online platforms for businesses. Infrastructure support and technical assistance to ensure training of officials would be required.
61. **Pillar B: Facilitating Trade and Connecting to Markets (AF for US\$ 0.8 million).** The COVID-19 pandemic has changed the way production and trade is done. Global supply chains experienced significant disruptions. These are critical to a small landlocked economy like Laos. The AF will scale-up existing activities to further assist Customs and cross-border agencies in coping with COVID-19 measures at their workplace reducing direct interaction while at the same time ensuring the smooth functioning of cross border trade. Proposed AF activities and corresponding budget include:
 - i. *Strengthen the capacity of the ASYCUDA ICT team to better support participating agencies (DOA, DOLF, FDD) in developing and implementing an integrated risk management framework and joint inspection regime.* The AF would also support a pilot at Thanaleng for implementing paperless submission and processing of declaration by Customs and other border agencies using Lao National Single Window (LNSW). This would provide ASYCUDA access to the non-Customs border agencies for joint risk-based inspection. The automated support provided by the ASYCUDA system will allow Customs, cross-border agencies and traders to electronically submit and exchange data and documentation, and computerize procedures to expedite the clearance of imports, exports, transits and other trade transactions, thereby reducing face-to-face interaction and facilitating trade.
 - ii. *Strengthening the capacity of DIMEX to support and expand their provincial Trade Facilitation Committee engagement including the implementation of the Decree on Border Checkpoint and International Airport, No.558/PM, dated 31 December 2018.* The AF would be used to scale-up

funding and technical assistance to enhance coordination, progress monitoring and reporting between central, provincial level on trade facilitation issues. It would also finance inter alia the development and implementation of a software (case management) solution to automate important tasks reducing direct staff interactions while raising efficiency.

62. Pillar C: Improving Firm-level Competitiveness – Business Assistance Facility (AF US\$ 3 million).

The proposed AF would scale-up the existing matching grant component to directly reach more businesses affected by the COVID-19 crisis and help maintain jobs. The operational manual for the matching grant facility is already in place and the target population would remain the same. The BAF already has national coverage and its outreach strategy is geared towards women-led enterprise as well as companies in provinces outside the Vientiane capital to ensure these groups benefit from free advisory services and can access matching grants. The proposed AF will strengthen BAFII outreach strategy. No new safeguards would be triggered, since this is a scaling up of an efficient, effective matching grants system. The proposed AF should be used to:

- i. *Extend an estimated 200 matching grants to vulnerable yet viable firms in the next two years.* At least 40 percent of grants would be disbursed to women-led firms.
- ii. *Improve outreach and service provision outside of Vientiane Capital province.* The BAF already has national coverage with over 30 percent of grants approved to firms located outside Vientiane Capital. Many firms hit by the crisis are located outside of the Vientiane Capital, grants to firms in these areas would have a significant impact in the local economy and allow for spillovers to local firms. The AF would strengthen the existing dissemination and outreach strategy working with established representative organizations such as sectoral or regional business chambers, associations, and community groups to ensure more effective outreach to firms eligible under BAFII. Special efforts will be made to work with businesses operated by women.

63. Pillar D: Supporting Better and More Inclusive Policies (AF USD 1.3 million). The COVID-19 pandemic shed light on the existing inequalities faced by certain groups of firms and workers in accessing business services and benefiting from business reforms. The crisis has also impacted more severely small and women-led businesses while the tourism industry, an important driver of private sector growth and major employer especially for women, has been hit the hardest. Differentiated dissemination and outreach strategies and feedback mechanisms are implemented under the parent project to ensure benefits reach more vulnerable groups. The proposed AF will scale-up such existing activities.

- i. *Coordinate of AF activities with national efforts of the Government, the private sector and civil society to provide relief and recovery from COVID-19.* The AF would scale-up existing monitoring and coordination activities undertaken by the NIU. The NIU would lead the RF monitoring and incentivize IAs by reporting to Senior management on their progress and publicizing achievement more publicly.
- ii. *Strengthen the LNCCI Laos Business Forum (LBF) Secretariat data and research capacity on trade and business reform.* The AF aims to strengthen the existing private sector feedback mechanism by supporting the LBF Secretariat capacity when raising trade and business issues especially related to COVID-19 at the LBF. Additional budget would be allocated for each round of the LBF. This would help engage the private sector more broadly ensuring the concerns of all firms including more vulnerable types are raised and addressed.
- iii. *Strengthen project communications strategy focused on COVID-19 prevention, relief and recovery.* The communication strategy would be coordinated by the NIU. Dissemination and outreach will be conducted in a safe and inclusive manner, in accordance with national and local COVID-19 protocols. In addition, selection of messaging, dissemination channels, and alliances with local stakeholders will be done to ensure wider outreach. The AF would also finance a comprehensive technical training program on gender to build capacity and ownership within the NIU and IAs. This would improve the delivery of all activities of the project in a gender-sensitive fashion. These activities build on existing work on dissemination and gender capacity building delivered by DERM and the NIU, currently at a small scale and with limited in-house expertise.

64. Delivery schedule. The Bank team will confirm with counterparts that Bank management has approved the COVID-19 waiver. The teams then agreed to expeditiously prepare the AF project paper, sharing a draft for review by Government authorities. The Bank team will prepare the necessary documentation needed to negotiate as soon as possible given the short time frame for approval by June 30, 2021.

ANNEX 1 – ACTION PLAN

Table 1 Summary status of MTR agreed actions

	Actions	Deadline	Responsibility
Pillar A			
1	Add a new activity in annual workplan to finance individual consultants to assist DERM in drafting revision of Enterprise Law and check point mid-April on work done.	26-Feb-21	NIU
2	Provide comments and no objection on ToRs for individual consultants to support DERM in Enterprise Law revision	Within 1 week of ToRs submission	WB team
3	Adopt a short and medium-term action plan with clear, time-bound actions and report on progress under each action [<i>every three months</i>] to ensure accountability	30-Mar-21	Starting a Business Task force
4	Create a project team to implement activities under A1 and A2, including an IT staff to support the online business registration portal and a non-IT staff to update content of OL portal	30-April -21	DERM/MOIC
5	Adopt a list of 20 priority licenses to be simplified in the remainder of the project (9 currently selected plus 11).	30-June-21	Inter-ministerial OL task force
6	Adopt a list of priority MOIC operating licenses to be streamlined in the short-term (6 months-1 year)	30-Apr-21	MOIC OL task force
7	Finalize a draft CF proposal on Getting Credit and submit the draft to IPD	30-Apr-21	BOL, MOJ
8	Develop key performance indicator (KPI) to incentivize line agencies to advance reform and enhance accountability under PM order #2; and explore whether similar approach for PM order #3 can be developed.	30-Jun-21	IPD secretariat
9	Issue guidelines for updating the operating licensing portal	30-Jun-21	DERM/MOIC
10	Propose to government to consider the establishment of a centralized authority to coordinate broader licensing reforms	30-Jun-21	MOIC/NIU
Pillar B			
1	Share the modalities for LTP to migrate to new platform developed by WBG.	30-Mar-21	WB team
2	Provide detailed information of the UNCTAD's existing support for ASYCUDA maintenance and a list of needed upgrades of ASYCUDA modules (i.e. warehouse management, valuation, manifest and risk management) and needed programming modification of the ASYCUDA.	26-Feb-21	LCD
3	Provide an update of the accrual account of the ASYCUDA user fees	26-Feb-21	LCD
4	Prepare a list of investment items and costs for LCD in expanding its TFA CF proposal	26-Feb-21	LCD
5	Prepare a list of investment items and costs for DIMEX in strengthening the capacity of DIMEX to support and expand their provincial TFC engagement and development and implementation of a software (case management) solution for NTFC	5-Mar-21	DIMEX
6	Follow up with sub-IAs to prepare submission of CF proposal extension and additional budget to cover activities impacted by Covid-19	30-Jun-21	DIMEX, NIU

7	Make a decision on the final submission of the DOSM's CF proposal	26-Feb-21	DOSM through DIMEX and NIU
8	Support the submission and consideration of an additional CF proposal for Ministry of Energy and Mines	30-Jun-21	MEM through DIMEX and NIU
9	TF Secretariat to strengthen engagement with the Ministry of Home Affairs (MOHA) to achieve resolution of the continuing presence of some government agencies at border checkpoints while strengthening CIQ for operational and organizational efficiency at high priority checkpoints	30 April 2021	DIMEX/MOH A
Pillar C			
1	Review BAF2 operating manual in the preparation of COVID-19 waiver for Additional Financing	15-Apr-21	WB team
2	Confirm USAID LBE Project operates, as agreed in principle, such that there is no direct competition between the subsidies it offers to firms and the grants offered by BAF2.	30-Apr-21	BAF Team Leader, NIU
3	Prepare quarterly progress reports indicating what percentage of team time is spent on advisory versus administrative work.	Quarterly	BAF team
Pillar D			
1	Prepare a COVID-19 waiver for Additional Financing	15-Mar-21	WB team
2	Draft AF paper with inputs from all counterpart and share with MOIC	30-Mar-21	WB team
3	Prepare a list of investment items and costs for NIU in strengthening its monitoring capacity and quality oversight capacity.	30-Mar-21	NIU
4	Finalize and launch gender study	31-Mar-21	NIU
5	Produce a comprehensive gender capacity building plan targeting NIU staff and IA gender focal points	30-Apr-21	NIU
6	Develop comprehensive and inclusive communication strategy plan with clearly defined responsibility (focal points etc...), messages, communication method to reach different target groups, dedicated budget, estimated timeline, and needed expertise.	30-June-21	NIU, WB team
7	Deliver regular gender-sensitive dissemination activities, including with technical assistance (TA) from an external communications firm	June 2021 onwards	NIU
8	Prepare concept to set up an LBF research fund for trade and business-related reform to be researched and presented at the LBF and to relevant working groups.	30-May-21	LNCCI LBF Secretariat, NIU, WB team

Table 2 Summary status of agreements from the previous AM

	Action	Deadline	Responsible Agency	Status and Comments
Pillar A				
1	Obtain MOIC Senior management approval for an appropriate coordination mechanism for A1 (from 2 nd ISM)	30-Sep	DERM/NIU	Completed. The Starting a Business inter-ministerial taskforce was established in December 2020, led by DERM.
2	Establish Task force between DERM and selected Ministries for component A2 (from 2 nd ISM)	30-Sep	DERM	Completed. An inter-ministerial licensing task force was established in December 2020, led by DERM.

3	Establish effective working mechanism for component A2 between DERM, IPD, and the contractor (from 1 st ISM)	15-Sep	DERM, IPD, NIU	Completed. MOIC established inter-ministerial taskforce and include IPD/MPI on December 07, 2020.
4	Prepare brief note on key areas of the Enterprise Law revision requiring CF support	15-Sep	DERM	Ongoing. Draft CF proposal on Enterprise Law completed. This action is being replaced by re-allocation of funds in the workplan for the support to the law revision.
5	Submit the revised CF proposal on Enforcing Contract for approval	15-Oct	Supreme Court	Completed. The CF proposal was approved in November 2020.
6	Finalize CF proposal on Getting Credit or Decision not to seek funding	15-Oct	CIC/MOJ	Ongoing. BOL/MOJ decided to seek the funding. A joint technical team will be formed to finalize the CF proposal and submit the draft to IPD by April 2021.
7	Submit final revised 2 nd Registering Property ToR to NIU	10-Sep	IPD, Land Department	Ongoing. Revised TOR was completed along with revised CF Proposal to reflect changes of activities. IPD submitted both document to NIU in mid-Feb 2021.
Pillar B				
1	NTFC to track a matrix of issues received, collected, reviewed and resolved every six months	Ongoing	DIMEX	Ongoing. The current matrix was presented at the 3 rd NTFC meeting was organized on December 17, 2020. The 13 th LBF meeting is tentatively scheduled in late March 2021.
2	Prepare ToR for the TRS working group	10-Sep	DIMEX/LCD	Completed. Field survey was completed in December 2020 and early January 2021. Preliminary results of TRS. Final TRS results will be completed and published in March 2021.
3	Prepare an outline of a study on transport prices	30-Sep	DIMEX	Dropped. Not high priority.
4	Undertake perception survey on NTFC effectiveness and increase monitoring (from 2nd ISM)	15-Oct	NIU/LNCCI	Commenced. Contractor is on board and commences sampling frame and questionnaire development. Survey and report will be completed by May/June 2021
5	Finalize hiring of consultants under DOA CF proposals	30-Sep	DOA/NIU	Completed. Both International and National consultant have been on board and commence their assignments.
6	LCD to establish a joint-inter border agency risk management committee, led by LCD and with FDD, DOLF, DOA and DIMEX	30-Sep	LCD/DIMEX	Delayed with progress. LCD confirmed that DG of LCD already requested for representative nomination from FDD, DOA and DOLF and LCD decision will be issued within February 2021.
7	FDD to establish a risk management team	15-Sep	FDD	Completed.
8	DOLF/DOA to establish a risk management team	30-Oct	DOLF/DOA	Partially completed. Delay in DOA with ongoing consultations.

9	Finalize the fifth CF proposal	30-Sep	DOSM/DIMEX	Delayed. No clear decision from MOST/DOSM to include fuel inspection at border for streamlining.
10	Review existing regulations related to TFA Category B to be implemented by December 31, 2020.	30-Nov	DIMEX, DOA and LCD	Completed. The six submitted TFA measures were accepted by WTO
Pillar C				
1	Prepare first two case stories of BAF grantees, including one for a women-enterprise	15-Oct	BAF team	Completed
Pillar D				
1	Prepare table listing all consultants and admin positions under LCTP, including key objectives of assignment	15-Sep	NIU	Completed
2	Conduct interim review of key LCTP components	15-Nov	NIU	Completed. Mid-term progress report prepared and shared in January 2021.
3	Conduct NIU gender training on a quarterly basis	Ongoing	NIU	Ongoing
4	Develop draft learning assessment tools for LCTP gender trainings	15-Oct	NIU	Pending
5	Prepare action plan of gender-sensitive outreach activities for reforms under A1/A2	31-Oct	NIU	Dropped. This is now covered under item 6, Pillar D in Table 1.
6	Realistic and acceptable sustainability and transition plans for the LTP and LSP shared with WBG, including full budget, funding sources, and gaps (from 1 st ISM)	15-Oct	NIU	Pending
7	Finalize the list of priority issues for LBF 13	15-Oct	LNCCI	Ongoing. LBF 13 scheduled to take place end of March 2021.

ANNEX 2 – LESSONS LEARNED AT MID TERM

Below are main lessons learned from the first two years of implementation of the LCTP.

65. **Pillar A: Improving the Business Environment.** While there is strong political will to improve the business environment especially in the COVID-19 context, a lack of effective coordination and monitoring system still constrain reform progress. Action plans with clear and time-bound tasks as well systematic monitoring and reporting on progress and issues to decision making level would keep relevant stakeholders accountable and stimulate reform progress. A more integrated reform effort is needed to limit coordination failure and ensure higher impact of reform. Resistance to reform from public officials and lack of awareness of changes from the private sector results in implementation gaps to the regulatory changes. A broader communication campaign as well as the introduction of mechanisms to receive feedback on reforms would help change perceptions of the public sector towards service delivery, inform the private sector of the changes and increase accountability.
66. **Pillar B: Facilitating Trade and Connecting to Markets.** Activities are complex in scope and nature and require high levels of technical skills and experience to successfully implement. For example, developing an IRMF has frequently taken many years to achieve, even in developed countries, with a strong culture of inter-agency collaboration. As such, the expected timeline for completion of Pillar B activities was relatively optimistic. To make progress on CF proposals participating agencies had to rely heavily on the technical skills of international experts. COVID 19 mobility restrictions implied the assistance had to be delivered remotely. To make the most effective use of the remote international consultants, officials and consultants should plan regular communication, including sharing translated papers, meeting minutes and reports on field visits.
67. **Pillar C: Improving Firm-level Competitiveness – Business Assistance Facility.** The first lesson is that some firms are creatively diversifying their activities to adapt to the COVID-19 situation. Tourism firms are moving into hospitality services for the domestic market. Local online services are expanding their offerings. Garment exporters are finding orders for healthcare items such as face masks and uniforms. One positive aspect of the sealed borders is that large international competitors are much less present on the domestic market, allowing domestic firms to capture domestic market shares and rely more heavily on domestic suppliers for their inputs. BAF by providing direct support to firm for business services irrespective of their sector is able to capture those firms and support them in taking advantage of new opportunities. Second, while Vientiane remains the center of demand, the South (with export-oriented zones) and the North (with the new China-Laos railroad) could demand BAF services. BAF agreed to expand its outreach strategy to reach outside of Vientiane to groups and zones with less access. In addition, synergies should be explored between BAF gender dissemination activities and broader gender-sensitive dissemination efforts of LCTP reforms under Component A.1 and A.2.
68. **Pillar D: Supporting Better and More Inclusive Policies.** First lesson learnt is that the lack of experience of some IAs led to significant delays in implementation and required additional support from NIU. Thus, increasing the monitoring capacity of the NIU as well as providing it with additional support on the technical side to improve the quality control would support effective implementation. Second, while progress have been achieved on the gender front, building gender technical capacity within the NIU and IAs, and, regularly disseminating LCTP reforms to (female) project end beneficiaries in a gender sensitive fashion would positively impact the delivery of all gender activities under the project. Finally, leveraging the private sector in Laos can increase the pace of reforms as well as their sustainability. Improving the ability of the LBF to build strong technical cases for the issues they raise with the government would help balance the public-private dialogue.
69. **Gender.** The main lesson learnt on gender relates to the critical importance of ownership and technical capacity. Important outputs have been delivered on gender throughout the first two years of project implementation. These are signs of significant progress, especially considering the extremely low baselines of gender capacity and gender awareness initially found within both the NIU and most IAs. However, the MTR has shown that the ultimate success of LCTP gender activities may depend on the overall level of gender-related ownership and of institutional technical capacity within those entities, including from a M&E perspective. Thus, as discussions related to LCTP additional financing progress, major emphasis should be placed on promoting NIU ownership and on strengthening NIU and IAs' capacity in so far as gender is concerned. Another key lesson learnt from the MTR mission was in relationship to the key importance of regularly disseminating LCTP reforms to (female) project end

beneficiaries in a gender sensitive fashion. The MTR mission also revealed that IAs' capacity to effectively gather reliable sex-disaggregated data against gender indicators included in the LCTP Results Framework varies, and that some such indicators (and relevant targets) may need to be revised to reflect that.

ANNEX 3 – UPDATED RESULTS FRAMEWORK WITH HISTORIC DATA

Project Indicators	Unit	Baseline (2018)	Actual 2019 (Jan-Dec)	Actual 2020 (Jan-Dec)	Current (As of Feb 2021)	End Target (Dec 2022)
Simplify business regulations						
1. Time needed to start a business	Days	67.00	173	173 ¹⁴	173	30.00
Facilitate trade						
2. Time to prepare documentary requirements for imports and exports	Hours	216.00	60	60	60 ¹⁵	108.00
Improve Firm-Level Competitiveness						
3. Sales growth in BAF supported firms compared to non-supported firms	Percentage	0.00	0.00	0.00	0.00	20.00
Pillar A. Improving the business environment						
4. Time to obtain ERC from DERM	Days	14.00	60 ¹⁶	60	60	5.00
4.1 Time for women-led enterprises as percent of men-led enterprises	Percentage	100.00	100.00	100.00 ¹⁷	100.00	100.00
5. Number of operating licenses streamlined ¹⁸	Number	0.00	0.00	0.00	0.00	30.00
5.1 Number of operating licenses streamlined in sectors of particular interest to women	Number	0.00	0.00	0.00	0.00	10.00
6. Procedures to start a business (women)	Number	8.00	9.00 ¹⁹	9.00	9.00	6.00
7. Number of new enterprise registrations per year	Number	6707.00	14829	14096	2201 ²⁰	7713.00

¹⁴ Lao PDR Doing Business report 2020: Time taken for men or women to start a business is 173 days in completing nine procedures. Steps that are lengthy include (i) Enterprise Registration Certificate: 2-3 months, (ii) tax registration: one month, and (iii) tax orientation or onboarding: one month. The data in DB2020 reflects the situation until April 2019. Given the delay in the publication of the DB report, the result was not able to be updated. DB2021 is being published on March 21 2021, and will represent the situation until April 2020. The results will be updated accordingly in the next mission.

¹⁵ The baseline of 216 is from the DB report 2017. Lao PDR Doing Business report 2020: Documentary compliance time to import is 60 hours and documentary compliance time to export is 60 hours. This indicator captures the average time taken for documentary compliance for imports and exports.

¹⁶ The baseline of 14 was based on DB2017 and it was retroactively corrected from 14 days to 2-3 months. Lao PDR DB 2019 and 2020 report: Time taken to get Enterprise Registration Certificate: 2-3 months, thus we have indicated 60 days. Administrative data gives different results: Ministerial Decision No.0023, dated Feb 1, 2019 Article 10 section 2.1, sets the time for issuance of ERC to 10 days while according to DERMs internal tracking system, in practice the average number of days to obtain ERC nationwide is 2.18 in 2020.

¹⁷ The current system does not allow to track this in detail yet, but efforts are under way. The current figure reflects the absence of legal differences.

¹⁸ Through Ministerial Decision Number 0044 introduced on January 18, 2019 only 69 activities out of 353 activities under DOIH's responsibility are required operating license. Most appropriate way of recording progress for this indicator was further discussed during project Mid-Term Review and proposed changes to this indicator target value have been recommended.

¹⁹ Results for 2019, 2020 and 2021 are based on Doing Business report 2020: Lao PDR, p.4. The results for 2020 and 2021 will be updated once DB2021 is published.

²⁰ New enterprises registered over the period of 12 months in 2020 (from 01/01/2020 to 31/12/2020). This number includes Individual Businesses - 10172, Sole Limited Companies – 2074, Limited Companies 1114. From DERM's public statistics <http://www.erm.gov.la/index.php/en/explore-data-en/statistics> accessed on February 18, 2021. The number for 2019 was also updated based on the same source. The number for 2021 covers the period as of 19 February 2021.

Project Indicators	Unit	Baseline (2018)	Actual 2019 (Jan-Dec)	Actual 2020 (Jan-Dec)	Current (As of Feb 2021)	End Target (Dec 2022)
Pillar B. Facilitating trade and connecting to markets						
8. Commitments under the Trade Facilitation Agreement implemented by Lao PDR	Percentage	21.00	21.00	21.00	32.8 ²¹	60.00
9. Technical Trade Facilitation Secretariat meetings with Private Sector Participation (last 12 months)	Number	0.00	5.00	8.00 ²²	3.00	4.00
10. Mean time to clear imports, exports, and transit, through customs	Hours	9.40	8.10	8.10	5.12 ²³	6.00
Pillar C. Improving Firm-Level Competitiveness						
11. Total number of grants disbursed	Number	0.00	2	51	53 ²⁴	300.00
11.1 Grants disbursed to women-led enterprises	Percentage	0.00	100	70	71 ²⁵	40.00
Pillar D. Supporting Better and More Inclusive Policies						
12. Lao Business Fora held per year	Number	1.00	1.00	1.00	0.00	1.00
12.1 Issues captured and actioned through the Lao Business Forum that have been raised by women-led enterprises	Percentage	33.30	52	52	52 ²⁶	40.00
12.2 Perception of Lao Business Forum's effectiveness	Text	31.00	56	56	56 ²⁷	40.00
13. Hits on the Lao Trade Portal	Thousands	370.60 ²⁸	492.056	584.28 ²⁹	NA ³⁰	400.00

²¹ See <https://tfadatabase.org/members/lao-peoples-democratic-republic>. As of the February 2021, the rate of implementation commitments for Lao PDR reached 32.8 percent.

²² Calculated on a rolling basis.

²³ Results for 2019 and 2020 are based on Time Release Study 2019, p.3. Results for 2021 are based on preliminary results from Time Release Study 2021 not yet published.

²⁴ Accumulated number of grants disbursed.

²⁵ Cumulative share of grants disbursed to women-led enterprises. The cumulative count of grants disbursed to women-led enterprises is: 2 (2019); 36 (2020), 38 (as of Feb 2021)

²⁶ Calculated based on LBF 12th, organized in 2019. Issues raised by women-led enterprises during working group meetings that are agreed at the LBF to be addressed. Reporting requirement include: (i) use records of LBF meetings as the data source and (ii) summary of women-led enterprise issues agreements reached as the data point.

²⁷ This was the perception of 50 respondents who were purposively selected by the survey team.

²⁸ This is the number of hits on the portal in a given calendar year.

²⁹ Number of hits over the period of 12 months in 2020 (from 01/01/2020 to 31/12/2020). Number for 2019 are computed the same way.

³⁰ Number of hits in 2021 as of February is not yet available. From January to December 2020, LTP received 584.28 thousand hits.

ANNEX 4 - SUMMARY CHANGES TO RESULTS FRAMEWORK UNDER PROPOSED RESTRUCTURING

Project Indicators	Unit	Baseline	New Baseline	End Target (12/31/2022)	New End Target (12/31/2024)	Rationale for proposed changes
Simplify business regulations						
1. Time needed to start a business	Days	67	173	30	70	The current baseline is from the Doing Business (DB) 2017 report. However, in 2018 an in-depth data collection mission triggered an upward adjustment of the indicator to 173. Previous reports were retroactively adjusted. Given that change in the baseline value, the mission agreed with counterparts to adjust the target value to capture realistic possible change in the timeframe of the project.
Facilitate trade						
2. Time to prepare documentary requirements for imports and exports	Hours	216		108	48	End target value increased to account for the extension of the project and the increase in business registration numbers.
Improve Firm-Level Competitiveness						
3. Sales growth in BAF supported firms compared to non-supported firms	Percentage	0		20		No changes needed.
Pillar A. Improving the business environment						
4. Time to obtain ERC from DERM	Days	14	60	5	10	As for Indicator 1, the baseline was based on DB2017 and it was retroactively corrected to from 14 days to 2-3 months. As such the baseline was readjusted to 60 and given the change in the baseline, the end target is adjusted to capture realistic possible change in the timeframe of the project.

Project Indicators	Unit	Baseline	New Baseline	End Target (12/31/2022)	New End Target (12/31/2024)	Rationale for proposed changes
4.1 Time for women-led enterprises as percent of men-led enterprises	Percentage	100		100		Remove and replace with indicator 7.1. This indicator is based on DB data. It is mainly based on legal rather than on the ground impediments to starting a business for men and women-led enterprises. Since there are no legal differences for women and men-led businesses, this indicator does not provide any information in the case of Lao PDR.
5. Number of operating licenses streamlined	Number	0		30	20	The original target covered 30 high priority formalities including business operating licenses, studied by the Second Trade Development Facility Project-Additional Financing (TDF2 Project-AF) in 2018. In the end of 2019 DERM decided to focus solely on operating licenses to advance the move to an ex-post regime. Consulting firm JC&A recommendation was provided for 9 operating licenses—3 OL in MOIC and 6 in four ministries (MOH, MAF, MPWT, and MOICT). Due to the extension of the project, the new target is set to 20.
5.1 Number of operating licenses streamlined in sectors of particular interest to women	Number	0		10	9	End target reduced based on changes introduced to indicator 5. Forty-five percent of the streamlined operating licenses under indicator 5 will be in sectors of particular interest to women.
6. Procedures to start a business (women)	Number	8	9	6	6	The baseline increased to reflect the retro-active change in DB data. Target remains unchanged.
7. Number of new enterprise registrations per year	Number	6707	14096	7713	15000	End target value increased to account for the extension of the project and the increase in business registration numbers.
NEW 7.1 Number of women-owned new enterprise registrations per year	Number		6,073		7000	New indicator that captures the share of women owned registered businesses.

Project Indicators	Unit	Baseline	New Baseline	End Target (12/31/2022)	New End Target (12/31/2024)	Rationale for proposed changes
Pillar B. Facilitating trade and connecting to markets						
8. Commitments under the Trade Facilitation Agreement implemented by Lao PDR	Percentage	21		60	80	End target updated to match the proposed project extension of December 31, 2024 and envisaged additional financing.
9. Technical Trade Facilitation Secretariat meetings with Private Sector Participation (last 12 months)	Number	0		4	6	End target updated to match the proposed project extension of December 31, 2024 and envisaged additional financing.
10. Mean time to clear imports, exports, and transit, through customs	Hours	9.4		6	3	End target updated to match the proposed project extension of December 31, 2024 and envisaged additional financing.
Pillar C. Improving Firm-Level Competitiveness						
11. Total number of grants disbursed	Number	0		300	500	End target updated to match the proposed project extension of December 31, 2024 and envisaged additional financing.
11.1 Grants to women-led enterprises	Percentage	0		40		No changes needed, this is not a time dependent target.
Pillar D. Supporting Better and More Inclusive Policies						
12. Lao Business Fora held per year	Number	1		1		No changes needed this is an annual indicator
12.1 Issues captured and actioned through the Lao Business Forum that have been raised by women-led enterprises	Percentage	33.3		40		No changes needed, this is an annual target. ³¹
12.2 Perception of Lao Business Forum's effectiveness	Text	31		40		No changes needed, this is an annual target. ³²
13. Hits on the Lao Trade Portal	Thousands	370.6		400		No changes needed, this is an annual target. ³³

³¹ Issues raised by women-led enterprises during working group meetings that are agreed at the LBF to be addressed. Reporting requirement: (i) use records of LBF meetings as the data source and (ii) summary of women-led enterprise issues agreements reached as the data point.

³² Reporting requirement: (i) use website statistics from the LTP as data source and (ii) use available google analytics.

³³ Hits on the Lao Trade Portal (LTP), per calendar year. This is not a cumulative count.

ANNEX 5– DETAILED FINDINGS

a) Pillar A: Improving the Business Environment.

1. **MoIC is in the process of revising the Law on Enterprises (LoE) during 2021.** DERM had initially focused on three main areas for the revision of the LoE: (i) improving enterprise registration, (ii) increasing protections for minority shareholder, (iii) other emerging issues, including the acceptance of land as investment capital, and a revision of investment restrictions such equity limitation, the prohibited and reserved lists. The mission team has supported DERM with an initial review of some of these areas. However, given the importance of the LoE, the mission recommends that MoIC considers a holistic and comprehensive review of the LoE aiming to draft a new quality law that would support private sector development in the country. Both a legal review and economic growth considerations are required. The project will support with allocating funds for the expertise.
2. **The process of issuing Enterprise Registration Certificates (ERC) has been substantially streamlined.** DERM has put in place a system that integrates the business registration offices all over the country at the provincial and district level. There are 167 Registry Offices, including 1 office at DERM, 18 office at provinces, 148 offices at districts. Every province and district has its own registry office. The IT system is able to track the time and process each business application goes through, from the time that the registration form is submitted to the business registration offices until the ERC is issued for the investor. The data provided by DERM indicates that the average time it takes to register a business in Lao is 2.18 days. According to reporting from DERM, from January to December 2020, 13,881 ERCs were issued nationwide, out of which 5,109 at DERM and 8,772 at other offices. In Vientiane Capital, 1,747 ERCs were issued by DERM of and 3,365 issued by Vientiane Capital Office. Registration data is published in DERM’s online site³⁴ and according to it, there are 179578 businesses registered in Lao PDR (as of February 2021). Around 85% of these are individual enterprises, around 10% are sole limited companies and only about 4% (or 7018) are limited companies. According to the same website 45,8% of the companies have a female primary owner. It should be noted that DERM’s public statistics website has some discrepancies with data reported from DERM. For 2020 the website reports 14 096 businesses registered. It is important that the data in the portal is reconciled with paper reporting and that the portal is updated regularly.
3. **To continue the reform of business registration, the Lao authorities should address several implementation issues.** MOIC has received continuous consultancy support for component A. The contract of JCA is coming to an end for both the work on business registration and licensing simplification. On business registration simplification several things will be important going forward:
 - a) *Address some implementation issues at MOIC to support more efficient business registration.* Table 1 contains a list of issues that have been raised by private sector representatives. Before moving towards an online platform for business registration, it is paramount to have a streamlined business registration system at MOIC and provincial/district units that perform business registration.
 - b) *Increase coordination with the other agencies part of the business start-up process:* Department of Tax, Social Security. The Starting a Business Task force is the right platform for such coordination. Table 2 contains a list of issues that should be considered by the Task Force for inclusion in their action plan.
 - c) *Prepare the terms of reference for the online business registration system and conduct the procurement.* The Functional Requirements Specifications have already been prepared with the support of JCA. The IT capacity as well as IT infrastructure of MOIC and DERM to adequately supervise the process of setting up the online business registration process should be considered and addressed.
 - d) *Continue efforts to communicate the reform and build capacity especially at the provincial/district level.* MOIC has already made some progress with communication, having published the new process for business registration on the website and the preparation of videos and infographics. A communication campaign could also be undertaken that would involve branding of the reform, refurbishment of the business registration offices and clear service standards towards entrepreneurs. This would serve to communicate the reform to the private sector but also to change the attitude of public servants towards service delivery.

³⁴ <http://www.erm.gov.la/index.php/en/explore-data-en/statistics>

Table 1. Issues for consideration by MoIC

Clarify regulations that determine the place of registration for a business.	There is already a regulation that determines the place where an entrepreneur should register his/her new business. It is dependent on the type, size and location of the business. In Vientiane City, a business could be registered at DERM, at Vientiane City or at one of the 9 district offices. Entrepreneurs complain that finding out the location for registration is not easy. They often have to check with two offices to ensure that they have the right location. Furthermore, the location of the respective tax department is also not clear.
Review and determine how to choose the categorization of the business activity at the time of registration. Categorization of business activity – needs to be made easier for businesses and no discretion for officials	One of the issues entrepreneurs raise is that it is not straight-forward to choose the business activity of their business when they register. The application form has to contain a sentence description of the activity and it is up to the registration officials' discretion to determine the ISIC business classification code. This creates several interactions between the entrepreneurs and the officials. In those cases where a lawyer is hired to conduct the registration, it creates several back and forth between the client and the registration officials.
To increase transparency of company information, MoIC should consider including on its website information about the business activity/objectives of each registered company. A general review of what information would be useful to be made public might also be considered.	Once companies register in Lao PDR, some of their information becomes public, like the name, the shareholders etc. Previously, MoIC would also publish information about the business activity and business objectives of each company. Since the reform of business registration took place, MoIC is not publishing anymore on its website the business activity. This reduces the transparency of information and makes it more difficult for the public and other companies to find out what type of company they are looking at.
Review and streamline the registration office business process.	The private sector reports that often it takes several days after submission of business registration application for the registration authority to check the documents and accept the application. It would be important that each registration official can check through a checklist that the registration application is complete and accept the application right away.
Review DERM decisions on minimum registered capital and apply uniform rules based on the legal framework.	Even though the law has no minimum requirement for registered capital for general businesses, DERM still allows discretion to its officials to reject companies that want to register with small amounts of capital.
For foreign investors: Ensure that the background check for foreign investors is not required in practice anymore.	Even though the background check was eliminated through Ministry of Public Security Response Letter to MOIC No. 728 (February 21, 2020) the private sector reports that in practice it is still required, and it's provided by Ministry of Public Security 3-5 weeks. Ensuring that this is not required in practice would facilitate the investment entry of FDI during the COVID pandemic, since investors are required to present in person the background check at the Ministry of Public Security.

Table 2. Issues for consideration by the Starting a Business Task Force

Remove need for Tax re-registration	The Department of Tax has already issued an instruction that removes the requirement to register with the tax department and provides the TIN as part of the ERC. In practice, businesses are being asked to visit the provincial or district tax departments to 'activate' or re-register the TIN. This visit might not be necessary given the new reformed process for business registration.
Consider removing the tax orientation requirement	While it is important to educate new business on tax payment requirements, this is something that can be done in a more effective way, a mandatory tax instruction session is a practice that does not exist in most countries. This information could be provided for example by giving out brochures with tax requirement information during the ERC process or by posting this information on the tax administration's website. A cost-benefit analysis could be undertaken that considers how much revenue this activity provides.

Remove requirement for registering assets + AoA with MoF (PM Decree 52)	Asset registration and certification of AoA is still required at the Ministry of Finance. PM Decree 52 on document registration determines this. A review of these steps is warranted to consider if they are still necessary in light of the reformed process of business registration.
Unique Business Identifier	DERM and the Department of Tax have discussed agreeing on a unique business identifier to be used by all state entities to identify businesses. The TIN could be used as the only business identifier. As of now, businesses receive two numbers in the ERC, the registration number and the TIN number. An agreement should be reached on this given the need to streamline the registration process before the business registration online portal is designed.
Consider the changes that are necessary to adopt e-signatures for online business registration	A review of the legal framework and infrastructure for the application of e-signatures should be undertaken to ensure that online business registration will be possible once the system is in place.

4. **The legal framework for licensing in Lao PDR lacks clarity.** Each line agency has its own regulations and it is not clear which business activities require operating licenses. There is also a lack of a legal standard definition of what is a business operating license and what are the differences with other types of formalities such as permits, certificates and other types of authorizations. The private sector reports several practical issues relating to the issuance of operating licenses, summarized in Table 3.

Table 3. Issues related to business licensing	
No clear information on what documents are required for each license	While this has been a longstanding problem, the recently launched licensing portal should address this issue. It is important to publicize the portal as much as possible and updated its content periodically.
Application form sometimes needs to be bought. No standardized application form, sometimes there is a form, sometimes it should just be a cover letter.	An important and relatively straightforward reform is the preparation of a standardized application form for each formality and license. A standardized application form will ensure that the requirements are clear and consistent for businesses and will reduce the back-and-forth between the agency and the business, thereby increasing efficiency.
Miscoordination between ministries and MOIC in terms of % of foreign/local shareholding required (Lao rules vs. ACM Commitments)	There is some misalignment between the rules that DERM applies on the requirement of minimum local shareholder shares for certain activities and the rules that line ministries apply when reviewing requests for business operating licenses. DERM follows ASEAN commitments on these rules, while the line ministries follow Lao rules, which are sometimes contradictory. Therefore, businesses are requested to change the local shareholders after they receive the ERC in order to receive operating license. It is important to align the rules and approaches on this matter between MOIC and line ministries.
For foreign investment – operating licenses require capital importation certificate right away, while the rule is that within 90 days of ERC should pay up 30% of capital.	Operating licenses for foreign business require them to show proof that minimum capital requirement through the capital importation certificate. This requirement is not only a duplicate of the requirement of the ERC but it is also not aligned to the requirement of the ERC, which allows foreign businesses 90 days to pay 30% of the capital. It is important that operating business requirements are aligned with the requirements of the ERC.

5. **There are approximately 359 formalities that Lao PDR regulatory authorities issue to businesses.** These include business operating licenses, permits, certificates and authorizations. 149 of them are classified as “operating licenses³⁵”. MOIC issues 19 of these formalities, 7 of which are classified as operating licenses. Operating licenses are applicable to a wide array of business activities. For example, the Department of Industry and Handicraft, issues 3 formalities: [License to Operate Industrial and Handicrafts Processing Business](#); [Annual Action Plan for Industrial Processing Factory](#); [Factory Operation Certificate](#). The License to Operate Industrial and Handicrafts Processing Businesses applies to 69 business activities from the Lao PDR Standard Industrial Classification of all Economic Activities (LSIC).

³⁵ The numbers and classification of licenses is from Inventory of Business Licenses portal.

6. **The project has supported the publication of the Inventory of Business Licenses to increase transparency of business licensing.** This portal is now public and contains information on all the formalities mentioned above. For each formality, the portal contains information on the following:
 - Issuing authority
 - LSIC code; information on who should complete the formality and what qualifications should the business have to apply.
 - Legal framework (which laws/regulations is the formality based on)
 - Required document (for first time and for renewal when applicable)
 - Processing for application and processing time
 - Length of validity
 - Issuing and renewal fees
7. **The consulting activities procured under the project have provided detailed recommendations on the streamlining of the following operating licenses at MOIC:**
 1. MOIC - Department of Industry and Handicraft: Business Operating License of Industry and Handicraft
 2. MOIC - Department of Internal Trade: Business Operating License of Internal Trade Business (Wholesale and Retail Business)
 3. MOIC - Department of Import-Export: Business Operating License of Import and Export of Vehicle
 4. Ministry of Information, Culture and Tourism - Business Operating License for Hotel
 5. Ministry of Agriculture and Forestry - Certificate of Agriculture for Technical Accuracy of Plantation
 6. Ministry of Agriculture and Forestry - Agriculture and Forestry Business Operating License
 7. Ministry of Health - Business Operating License of Private Hospital
 8. Ministry of Health - Licensing Pharmacist
 9. Ministry of Public Works and Transport - Business Operating License of Housing Construction
8. **It is recommended that MOIC and the four selected ministries consider the recommendations** and adopt streamlined processes for the abovementioned 9 licenses. It is also recommended that the Inter-ministerial Task Force identify an additional priority 11 licenses for streamlining, using criteria like: high number of licenses issued (affecting more businesses), significant compliance costs in terms of time taken and costs incurred, importance for economic development, and of special interest for women. Of the total 20, 9 licenses should be identified as being of special interest for women. The adoption of the recommendations will bring significant savings to businesses in the form of reduced costs and reduced time required to receive these licenses.

b) Pillar B: Facilitating Trade and Connecting to Markets.

9. Further to the information shared in the core text of the AM, below are further details regarding Pillar B progress at mid-term.
10. **B1. Support of the National Trade Facilitation Committee.**
11. *The Committee and its Secretariat* have gradually improved their effectiveness through capacity building programs, standard operating procedures, extensive technical level meetings/workshops with stakeholders and technical regulatory reviews to set priorities and identify solutions. The mission noted that the annual NTFC meeting is now chaired by the Deputy Prime Minister, reflecting the increased government attention and priority placed on resolving outstanding trade facilitation related challenges facing Lao PDR. Implementing of the PM Decree 558 remains crucial to streamline sector agencies that are not required to perform border inspection but strengthen operational and organizational efficiency of the CIQ model at border checkpoints.
12. *National Trade Facilitation Roadmap.* The mission was informed that 18 out of 36 TF measures included in the National Trade Facilitation Roadmap have now been implemented and action has been initiated on a number of outstanding measures. Other noteworthy results include: abolishing import permits for vehicle spare parts; processing of import for vehicles and fuel through Lao National Single Window; completion of 7 out of 51 measures in the adopted legislative and regulatory improvement action plan; introduction of simplified procedures for releasing wood, agricultural products, minerals and others at borders; conduct of a time release study (that for the first time recorded the time taken to apply for

various import/export licenses administered by agencies other than Customs); and initiation of the contract for a client perception survey (expected to be undertaken in mid-2021).

13. *Non-Tariff Measures (NTM) reform progress.* To date the project has facilitated the classification of 327 domestic NTMs with 51 high priority measures identified for streamlining. Reviews of NTMs have been undertaken for fuel and lubricants, cultural products, vehicles, and mineral products, with a range of recommendations made for rationalization and simplification.
14. *Time Release Study (TRS).* For the first time, the 2020 TRS also recorded data on the time taken to prepare various import and export authorizations administered by other government agencies. Preliminary analysis of these data suggests much scope for procedural simplification and reform. The results of this additional analysis will be discussed with the appropriate agencies and should form the basis of a range of new reform initiatives.
15. *Joint Risk Management Framework (JRMF).* The work has been initiated on developing a JRMF with formal instruction on modalities and implementation arrangements issued by MOIC in January 2021. The instruction provides for a JRMF to be established under the leadership of the Lao Customs Department with participation of representatives of DOA, DOLF and FDD. The instruction also provides guidance on a range of associated issues including: the implementation of improved border procedures; introduction of Post-Clearance Audit, strengthening of the Authorized Economic Operator (AEO) regime; use of the Lao National Single Window system; the conduct of annual Time Release Studies; the provision of information to government agencies; and the signing of MoUs to facilitate information sharing and increased interagency collaboration. Preliminary discussions have taken place between the LCD and participating agencies to familiarize officials with risk management principles and the selectivity capabilities of the ASYCUDA World system. Intense efforts and additional support will be required to assist agencies to analyze trade and compliance data and develop appropriate risk profiles for inclusion in the ASYCUDA system and support joint border inspections.
16. *Lao Trade Information Portal.* LCTP also provides support for the ongoing operation of the Lao Trade Information Portal under Component D. The system was one of the first of its kind to be deployed in a developing country environment and has been popular with the national and international trade community with usage rates remaining high. It meets WTO TFA requirements for trade information to be made available via the internet and facilitates government efforts to simplify and rationalize processes and procedures. The system is, however, now somewhat dated and needs to be migrated onto a new operating platform currently being developed by the World Bank Group. Once the new platform is available it will be necessary to extend project support to complete the data migration and stabilize the new system. Responsibility for ensuring the long-term sustainability of the system should then transfer to the Lao Government.
17. **B2. WTO Trade Facilitation Agreement Challenge Facility.** Almost 90 percent of the CF fund has been committed in four approved proposals (LCD subproject—US\$ 500,000; FDD subproject—US\$ 452,000; DIMEX subproject—US\$ 311,377; DOA/DOLF subproject—US\$ 350,000). One additional CF proposal has been under development by the Department of Standards and Metrology (DOSM). DIMEX has received an official letter from DOSM to cancel the CF proposal due to the duplication with other commitments. . All existing and potentially new Challenge Facility projects will require extensions of time and additional resources to be made available to meet their development objectives.
18. *Progress of the E-Statistics System* is under the DIMEX CF project. Based on the approved work plan, some activities have been delayed due to COVID-19 so an international consultant could not come to work in Laos as planned. However, the existing system that has been used by DIMEX is now reviewed by the international consultant through only email. An MOU between DIMEX and LCD on import and export data from ASYCUDA to E-Stat system has been signed. The MOU covers the key principles for cooperation and sets out the respective roles and responsibilities of each agency. The system will be expected to be available in prototype form by mid-2021.
19. *Progress on the Lao Customs Department (LCD) CF Subproject* has been delayed due to the unavailability and/or unsuitability of international consultants, however, some work has continued on implementation of the Customs-related aspects of the TFA. The mission was advised that the new Customs Law was passed in August 2020 that now provides the legal framework for modern Customs practices and procedures in line with WTO TFA requirements, WCO Revised Kyoto Convention principles and ASEAN commitments. Attention will now be focused on developing the necessary

- implementation rules, regulations and associated procedural changes. Work is continuing on preparing the necessary reforms but has been hampered by a lack of expert technical advice. Urgent attention is now being paid to recruiting two new international consults to facilitate completion of this work program. The mission was advised that the ASYCUDA system is now operational at all major border posts as well as SEZs. Red channel (physical inspection) inspection levels have progressively fallen and preliminary data from the 2020 Time Release study indicate border clearance times have been significantly reduced.
20. The LCD has established a Risk Management Unit tasked with strengthening the LCD's capacity to research and analyze data and regularly update risk profiles. The Unit will also lead work on establishing the cross agency IRMF and incorporating profiles for DOA, DOLF and FDD as well as other agencies that LCD perform delegated controls on behalf of. The mission noted that following a review a new series of profiles were uploaded in July 2020 and it is expected that in future profiles will be constantly reviewed and frequently revised to facilitate a reduction in the percentage of consignments identified for physical inspection.
 21. The LCD's CF proposal envisages establishing Centralized Processing Centers away from the border checkpoints that would manage tariff classification, valuation and duty assessment and allow experienced officials to concentrate on higher value-added activities rather than routine inspection work. Unfortunately, implementation of this activity requires the implementation of a fully paperless processing environment and the introduction of pre-arrival processing of declarations. These in turn require a number of automated system and procedural changes. These changes have not yet been implemented as they require significant programming modifications and enhancements to the ASYCUDA system. See recommendations below.
 22. *Progress of the DOA and DOLF CF Subproject.* This subproject is focused on implementing risk management for animal and plant Quarantine at the border as well as introducing for post entry surveillance and audit disciplines. To date DOLF officials have not employed a formal process for risk management and essentially conduct inspections on a random basis which is inconsistent with international standards. The international consultants hired by the project have assisted officials to undertake a regulatory gap assessment of regulatory issues and have developed preliminary risk categorizations to inform future risk profiles. A Risk Management Committee consisting of officials from key operational areas and border checkpoints has been formally established and SOPs have been drafted covering key the importation of key animal and animal products. Officials now need access to ASYCUDA historical transaction data to make further progress. Initial meetings with LCD have been conducted to introduce officials to ASYCUDA capabilities and it is expected that a recently drafted MoU on information exchange will be signed in the near future. Work is also progressing on classification of products to the HS. Given the delays experienced due to COVID 19 and the scope and complexity of the project it is envisaged that an extension of time and provision of additional resources will need to be allocated to achieve the expected outcomes and impact of the project. Additional resources should be devoted to capacity building in risk management for animal and plant quarantine officials and further development of post border clearance audit capabilities.
 23. *Progress of the Food and Drug Department CF Subproject.* This subproject has focused on implementing risk management at border checkpoints and establishing Post-Clearance Audit for strengthening regulatory compliance in food safety. Progress to date has been satisfactory with a committee on risk management established and capacity building for officials conducted. Internal meetings with departmental stakeholders have been conducted with participation of officials from provincial offices. A comprehensive work program has been developed and a gap assessment undertaken covering existing standards, regulations, and procedures. All manuals and SOPs relating to border inspections have been reviewed and are currently being revised. Capacity building for officials in risk management, product categorization, and development of risk profiles for inclusion in ASYCUDA has been undertaken. A preliminary meeting with Customs has been held to discuss incorporation of FDD profiles in the ASYCUDA selectivity module. In the next phase FDD will start the activity to develop post entry surveillance and audit capabilities. Given the delays experienced early in the project due to COVID 19 and the scope and complexity of the project it is envisaged that an extension of time and provision of additional resources will need to be allocated to achieve the expected outcomes and impact of the project. Additional resources should be devoted to further capacity building in risk management, integration of FDD profiles in ASYCUDA and developing an appropriate post clearance capability for FDD.

c) Procurement

24. Most procurement packages have been processed according to the timeline in the procurement plan. Table 3 below reports procurement activities which were discussed with agreed actions. Table 4 reports the agreed mitigation measures at the Project negotiations and the status of mitigation to date.

Table 3 Pending procurement packages, status and agreed actions

Package Reference	Description	Status	Agreed action
G-05	(Office) Equipment DOA and DOLF for CF	To request revising the est. costs, and add office furniture	NIU to discuss and finalize the proposed request with TTL before submitted the changes in STEP NIU is suggested to describe in STEP as 'office equipment' instead of 'equipment'
G-06	Sampling equipment DOA and DOLF for CF	Technical specifications include consumable goods.	NIU to separate 'consumables' from the 'equipment' and check the correct estimated cost. Only equipment will be listed in the procurement plan.
A1-2-1	Automation Company Registration TA	Draft TOR was planned to be submitted in Dec. 2020	Draft TOR will be discussed and finalized during the mission. Expected to be submitted mid Feb. 2021.
A3-2-2-1	Website Development the LaoLandReg Cadaster Database	Draft TOR was overdue since Jun 2020. CF proposal to be revised	TBC

Table 4 Status of Mitigation Measures

Risk/Risk Area	Agreed Mitigation Measures	Status
Limited knowledge and experience of the MOIC and the NIU with the World Bank's New Procurement Framework and Regulations that may cause project implementation delays and noncompliance.	Provide procurement training for NIU staff, including initial training during project preparation and in-depth on-the-job procurement trainings during project implementation. Continue contract with an international procurement adviser to assist the NIU to carry out procurement activities on an intermittent basis.	On going
Limited in-house capacity with international competitive selection	The international procurement adviser continues to assist the NIU and provide knowledge transfer and capacity building to the national procurement staff. The NIU to assign at least one full-time officer to work with the World Bank and the international procurement adviser	On going Partially. Oversee the procurement activities are not in-depth actual learning and on the job training. NIU to please reconsider.
Coordination risks among the NIU and implementing departments within the MOIC and between line ministries could result in delays Preparation of TORs took approximately 4–9 weeks.	The NIU to appoint a project team with members from each department under the leadership of the NIU project director. Strengthening the control and coordination arrangements between the NIU and the technical team in the implementing departments to ensure well-coordinated implementation.	A coordinator working with each IU has been hired
Delays due to MOF contract registration procedures. Multiple checking and transactions required at budget department, asset department, and payment separately at the World Bank.	List out sequential steps and estimated processing time for contract registration and propose to portfolio review meeting; feed this information to licensing reform team for possible inclusion into the reform agenda.	Completed with improved shorter registration time.
Limited contract monitoring and management skills and tools to	Strengthening the control and contract monitoring arrangements between the NIU and	On going

ensure efficient and timely contract implementation. This may lead to delays with processing of contract amendments.	the lead implementing departments. Technical team in the implementing departments to ensure well-coordinated implementation.	
	Using STEP to monitor the contract completion.	On going
Governance risks associated with conflict of interest, fraud and corruption, and collusive practices, which may adversely affect the efficiency and effectiveness of the project implementation.	Enhanced disclosure of procurement information, including publication of the annual Procurement Plan and a quarterly summary of the contract award information for all procurement packages on MOIC's website and in newspapers. Requiring staff involved in procurement to declare their interest and sign a declaration form and requiring individual consultants to submit applications in the required form.	On going
Potential unsustainability of three key portals (LTP, Lao Service Portal, and eCoO) after project closing	Letter of commitment and budget allocations from the Government for funding the key portals after project closure.	Done, but may require IDA's AF to finance.

ANNEX 6 – PARTICIPANTS AND PERSONS MET (IN PERSON OR VIRTUALLY) DURING THE MISSION

A. List of mission Team (alphabetical order):

1. Michael Goldberg (Consultant, Project Advisor)
2. Lars Grava (Senior Private Sector Specialist)
3. Melise Jaud (Senior Economist and Task Team Leader)
4. Gerard McLinden (Trade Facilitation and Customs Advisor)
5. Sagita Muco (Senior Private Sector Specialist)
6. Khampao Nanthavong (Operations Officer)
7. Konesawang Nghardsaysone (Trade Economist and Co-Task Team Leader)
8. Vonglatda Omany (Operations Officer)
9. Vidaovanh Phounvixay (Financial Sector Specialist)
10. Andrew Singer (Consultant, BAFII)
11. Sirirat Sirijaratwong (Senior Procurement Specialist)
12. Carmine Soprano (Consultant, Gender)
13. Malarak Souksavat (Financial Management Analyst)
14. Phet Udom Mainolath (Program Assistant)
15. From Australia: Jane Chandler (Deputy Head of Mission); Thomas Carr (Second Secretary); Hannah Lee (Gender and Inclusion Advisor); and Soulivanh Souksavath (Program Manager) and Hannah Wurf (Second Secretary Designate);.
16. From IrishAid: Nguyen Thi Huong (Bilateral Relations Adviser)
17. From US Embassy/USAID: Cullen Hughes (Director Office of Economic Growth, Education and Energy); Somsangouane Keovilay (Project Management Specialist); Kevin McCarthy (Gender and Inclusion, Program Office); and Souliyakhom Thammavong (Commercial and Economic Assistant)

B. Officials consulted (in person or virtually) during the mission

Ministry/Agency	Department/Unit	Name	Title
Ministry of Industry and Commerce		H.E. Mme. Khemmani Pholsena	Minister
	Cabinet Office	Mr. Toulasai Phanthavong	Director of Legislation Division
	Department of Planning and Cooperation (DPC)	Mr. Phouvieng Phongsa	Director General
		Mr. Sengphanomchone Inthasane	Deputy Director General
		Ms. Lattanaphone Vongsouthi	Director of NIU
		Ms. Nitnida Phongsawath	Trade Officer
		Ms. Sonevilay Phaengtavanh	Trade Officer
		Mr. Sengxay Phousinghoa	Private Sector Development Advisor
		Ms. Thippaphone Vongsay	Private Sector Development Consultant
		Ms. Pinphakone Xayavong	Trade Analyst
		Mr. Soulivong Chanthasay	Sr National Financial Specialist
		Mr. Phoutsavong Phatsouda	PR Officer
		Mr. Thanakone Oudomvilay	Procurement Consultant
		Ms. Thidaphone Temelath	Procurement Consultant
		Mr. Simmavanh Vayouphack	Gender Officer
		Ms. Touttou Phommala	Admin Officer
	Department of Import and export (DIMEX)	Mr. Mouavixay Paly	Deputy Director General
		Mr. Khambay Sithirajvongsa	Director of Division
		Mr. Sonemala Nouanthasing	Director of Division
		Mr. Vilavong Southaniluxay	Deputy Director of Division
		Mr. Shahid Meezan	Int'l Customs and Trade Consultant
		Mr. Paul Schmidt	Int'l Regulatory Expert on Trade facilitation and Non-Tariff Measures Consultant
		Mr. Samuel Chari	Int'l E-Stat System Consultant
		Ms. Mingngakham Pangnasak	National Trade Facilitation and NTMs Specialist
		Mr. Phoxai Inthaboualy	Deputy of Division
		Mr. Soulaxay Heuangphoxay	Technical Officer
		Ms. Vanida Vixathep	Technical Officer
		Ms. Phousomphone Sihomvong	Technical Officer
	Department of Enterprise Registration Management (DERM)	Mr. Aphisid Sengsourivong	Deputy Director General
		Mr. Soulisak Siouthoum	Director of Division
		Mr. Phakpaseuth Lopangkao	Deputy Director of Division
		Mr. Bounchan Phouangsavath	Deputy Director of Division
		Ms. Manivong I.	Director of Division
		Ms. Saykham Inphommavong	Deputy Director of Division
		Mr. Mouaxeng Mouanhiabee	Project Coordinator
		Ms. Vongpadith Vongsavath	Director of Division

Ministry of Agriculture and Forestry	Department of Livestock and Fisheries	Dr. Phouth Inthavong	Deputy Director General
		Mrs. Phonesavanh Phonepaseuth	Deputy Director of Division of Legislation
		Ms. Annisa Mingmuangthong	Technical Officer
		Mr. Phachone Bounma	National Consultant on Animal and Animal Product Quarantine
		Dr. Kulwant Singh	Int'l Consultant on Risk Management for Livestock
		Ms. Phonesavanh Phonepaseuth	Deputy Director of Division
		Mr. Joy Phanthavong	Technical Officer
	Department of Agriculture	Ph.D Soulapphone Inthavong	Deputy Director General
		Mr. Souliya Souvanhdouan	Deputy Director of Division
		Mr. Sisalong Kinnavong	Deputy Director of Division
		Ms. Phoungern Phosalath	Deputy Director of Division
		Mr. Chamlong Lapasatukul	Int'l Consultant on Risk Management for Plant Quarantine and Post Marketing Audit
Ministry of Finance	Department of Tax	Mr. Souphan Vilavong	Director of Division
	Department of Customs	Mr. Phoukhaokham Vannavongxay	Director General
		Mr. Saymanolinh Sinbandhit	Director of Int'l Cooperation Division
		Ms. Sanya Khamson	Deputy Director of Post Clearance Audit Division
		Mr. Vongtavan Phouangpheth	Deputy Section of ICT
		Mr. Sirivanh Phankhamphiew	Director of Division
		Ms. Pholadsamone Luangsath	Head of Section
		Mr. Soukpaseud Nalukhot	Post Clearance Audit Unit
		Mr. Khampasong Xayavong	National Consultant
		Mr. Sompasong Amphaengphai	
Ministry of Health	Department of Food and Drug	Dr. Viengxay Vansilalom	Deputy Director General
		Mr. Souksomkhouan Chantamath	Admin of Division
		Mr. Amir Syarifudin	Int'l Consultant on Risk Management in Food and Drug
		Mr. Bounlonh Ketsouvannasane	National Consultant
		Dr. Hountheva Douangsavanh	Deputy Director of Division
		Ms. Alouny Chanthavong	Deputy Head of Food Inspection
		Ms. Davone Duangdany	Deputy Chief
		Mrs. Viengmany Lobliayao	Deputy Chief
Ministry of Justice	Department of Law Review and Assessment	Mme. Khonesavanh Savaly	Deputy Director General
		Mr. Maypheng Leungbounsone	Technical Officer
		Ms. Vanhthala Douangmanivanh	Director of Division
		Ms. Lasoy Sengvongdeuane	Deputy Director of Division
Supreme Court		Mr. Kikeo Keovilaysak	
		Ms. Manikhan Phetvixay	Judge
		Ms. Phouthasone Sopadith	Assistant to the Judge
Ministry of Planning and Investment	Department of Investment Promotion	Ph.D Phonexay Vilaysack	Deputy Director General
		Mr. Soulipphon Lengsavath	Technical Officer
		Mr. Chanthasone Phetvixay	Chief of Unit
		Mr. Daouangkham Norasinh	PC
		Ms. Thidavanh Chongchith	Technical Officer
		Mr. Giorgi Tskhakaia	Int'l Regulatory Expert
		Ms. Khankeo Moonvong	National Consultant

Ministry of Science and Technology	Department of Standardization and Metrology	Mr. Viengkham Singsonexay	Deputy Director General
		Mr. Bounhome Phanouvong	Director of LNAB
		Mr. Sounthone Chanthadeth	Director of QC
		Mr. Kadingthong Singdala	Director of Metrology
		Mr. Outhong Ounnarong	Deputy Director of Standard Division
		Ms. Latdavanh Sivongxay	Technical Officer
		Ms. Souphansa Vannapho	Deputy Director of QC
		Mr. Phouthasak Baochanh	Deputy Director of Division
		Ms. Soukmany Saovongxay	Officer
Prime Minister Office	Department of General Research	Mr. Aondee Sayavongsa	Officer
		Saysone Bounvinay	Director of Division
Ministry of Information, Culture and Tourism	Department of Mass Culture	Mr. Thongphout Manichan	Director of Division
Ministry of Public Security	Unit 203	Mr. KaiAmphone	
Department of Industry and Commerce of Vientiane Capital		Mr. Sounthong Phavanh	Technical Officer
Department of Planning of Vientiane Capital		Ms. Soulidavanh Keovilayvanh	Chief of Unit
LNCCI		Ms. Valy Vetsaphong	President
		Mr. Daovone Phachanthavong	Vice President
		Mr. Phouxay Thepphavong	Secretary General
		Mr. Kinphakone Youivanitsavong	Director of Division
		Mr. Phonethip Phonelaevong	Deputy Director of Division
		Ms. Somphathai Phengattavong	Inclusiveness Specialist
		Ms. Dalaphone Sengdavong	Private Sector Development Consultant
		Mr. Sackphousone Sansalee	Technical Officer
		Ms. Daovading Philasayphithuk	Technical Officer
		Ms. Souksavanh Ardsanong	Technical Officer
		Mr. Somphathai Phengrattavong	Gender and Inclusiveness Consultant
JC&A		Mr. Rafael Gonzalez Vazquez	Team Leader
		Ms. Vongphachanh Onepaseuth	National Team Leader (A1)
		Ms. Varany Khanthavong	National Team Leader (A2)
		Mr. Litthisack Mithong	Junior Researcher
		Ms. Khamphaeng P.	Lawyer
BAF-II		Mr. Nicholas Freeman	Team Leader
		Mr. Vilaichit Senemangthong	Deputy Team Leader
EXIM Company		Mr. Sakhone Philangam	Director
KPN Pharma Sole Co., LTD		Mr. Phouthavanh Chanthavisouk	Deputy Director
ZICOLaw (Laos) Sole Co., Ltd.		Mr. Aristotle David	Managing Partner
Lao Law and Consultancy Group		Ma. Linglingia Martinez	
Lao Premier International Law		Ms. Arpon Tunjumras	Advisor