

PROPOSAL FOR ADDITIONAL FINANCING
FOR THE
PHASE 2 OF THE EIF TIER-1 PROJECT

October 2013

Prepared by
National Implementation Unit/Foreign Aid Division
Department of Planning and Cooperation
Ministry of Industry and Commerce
Lao PDR

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ABBREVIATIONS

ADB	Asian Development Bank
AEC	ASEAN Economic Community
AfT	Aid for Trade
DP	Development Partner
DPC	Department Planning and Cooperation
DTIS	Diagnostic Trade Integration Study
EIF	Enhanced Integrated Framework
FAD	Foreign Aid Division
GIZ	Gesellschaft für Internationale Zusammenarbeit
GoL	Government of Lao PDR
IA	Implementing Agency
IDA	International Development Association
IF	Integrated Framework
IFS	Integrated Framework Secretariat
JSDF	Japan Social Development Fund
Lao PDR	Lao People's Democratic Republic
LDC	Least Developed Country
logframe	Logical Framework
M&E	Monitoring and evaluation
MDG	Millennium Development Goal
MoIC	Ministry of Industry and Commerce
NIFGS	National Integrated Framework Governance Structure
NIU	National Implementation Unit
NSCEI	National Steering Committee for Economic Integration
NSEDP	National Socio-Economic Development Plan
PEC	Program Executive Committee
PIU	Project Implementation Unit
PSD	Private Sector Development
SME	Small and Medium Enterprises
TDF	Trade Development Facility
TPSWG	Trade and Private Sector Working Group
TRA	Trade-related assistance
TRTA	Trade-related technical assistance
UN	United Nations
USD	United States Dollar
WTO	World Trade Organization

I. PROJECT SUMMARY

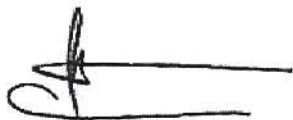
Project title	Institutional Strengthening of the Integrated Framework Coordination and Implementation Structures
Category of the Project	Tier-1 Phase 2
Grant recipient	National Implementation Unit, Department of Planning and Cooperation, Ministry of Industry and Commerce, Government of Lao PDR
Starting date	1 January 2014
End date	31December 2015
Duration	2 years
Total Project Cost in USD	743,219
Enhanced Integrated Framework funding sought in USD	599,999
Government contribution in USD	143,220

This project proposal seeks the approval of the Enhanced Integrated Framework (EIF) board to provide an additional grant in an amount of US\$ 599,999 to the Lao's People Democratic Republic (Lao PDR) for Phase 2 of the EIF Tier-1 project.

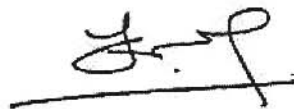
The proposed additional grant builds on the significant progress made to date and provides further support in the areas of trade mainstreaming through institutional and managerial capacity building, including Trade and Private Sector Development (PSD) dimension into the National Socio-Economic Development Plan (NSED), and strengthening the coordination of trade-related assistance (TRA).

The overall goal of the project has been adjusted from the original EIF Tier-1 project proposal to align with the goal of the EIF global program— support Lao PDR's integration into the global trading system with a view to contribute to poverty reduction and sustainable development. Thus mainstreaming trade in Lao PDR becomes the purpose of this project. However, the objectives and key results of the project are still relevant and therefore remain unchanged.

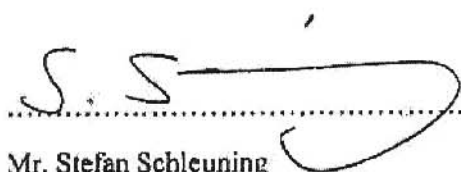
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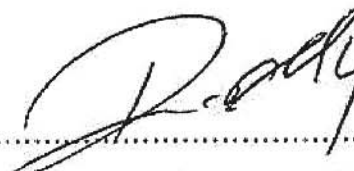
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Head of Cooperation
Delegation of the European Union to Lao PDR
On behalf of the EIF Donor Facilitator



.....
ES Executive Director on behalf of the EIF
Board



II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

Lao PDR joined the global Integrated Framework (IF, later EIF) in 2004 and has been an active participant in the IF process, which aims to support the effective participation of Least Developed Countries (LDCs) into the multilateral trading system. Following the end of IF Window-II project, which designed to kick start the implementation of projects identified in the Diagnostic Trade Integration Study (DTIS) 2006 Action Matrix in December 2009, Lao PDR was granted in February 2010, US\$899,999 from the EIF Tier-1 Trust Fund to enhance national capacity to formulate, implement, manage and monitor a pro-poor trade policy that is consistent with and supportive of the country's NSEDP and its Millennium Development Goals (MDGs). In October 2010, the EIF board agreed to increase the grant amount by a further \$337,000 to account for the comprehensive DTIS Update and its Trade and PSD Roadmap.

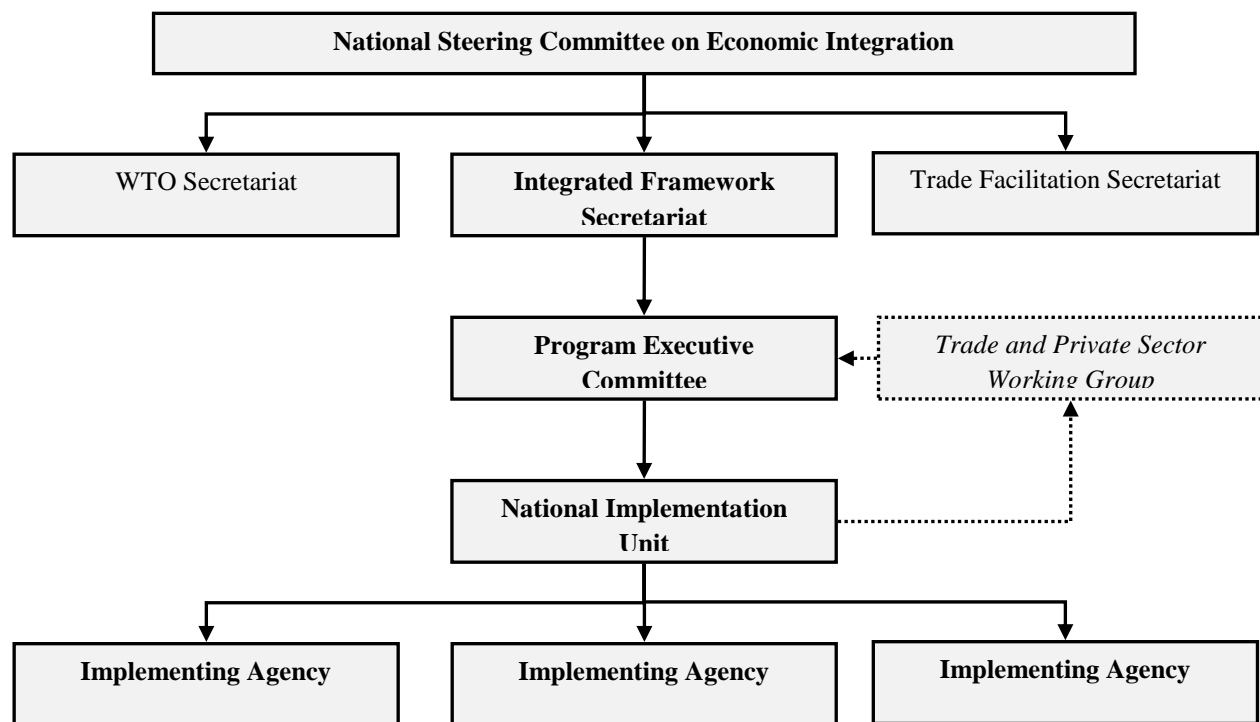
Priorities in Trade and PSD areas have been articulated in the DTIS 2006, and in the DTIS Update 2012. It is widely recognized that since the implementation of the DTIS 2006, Lao PDR has produced promising results. Despite the slow start of the project, Tier-1 has been a huge accomplishment. These include the exceptional performance of the IF National Implementation Unit (NIU) in which supervised by the Department of Planning and Cooperation (DPC), Ministry of Industry and Commerce (MoIC) under the National Integrated Framework Governance Structure (NIFGS). The accomplishments also include the completion of the DTIS Update 2012 and the development of EIF Tier-2 project to implement priorities identified in the DTIS Update 2012 trade and PSD roadmap. However, as Lao PDR moves into the implementing phase with the increased TRA programs the constraints and challenges that the MoIC is facing are also tremendous.

a. The National Integrated Framework Governance Structure¹

One of the significant outputs for Lao PDR through the IF process has been the establishment of the NIFGS where the NIU is embedded. The structure provides an explicit platform for TRA project institutional and implementation arrangements. It has strengthened the MoIC's inter-ministerial coordination and implementation of TRA and helps to ensure overall aid effectiveness in the area of AfT. As such, the NIFGS became the key instrument to promote trade development in adherence with the Vientiane Declaration on Aid Effectiveness and the Country Action Plan. A graphical overview of the NIFGS is shown in Figure 1.

¹ The national Integrated Framework governance structure is presently being reviewed to enhance coordination and improve mainstreaming trade within the government system.

Figure 1: Graphical Overview of the National Integrated Framework Governance Structure



The National Steering Committee on Economic Integration (NSCEI) is responsible for policy formulation and is chaired by the Deputy Prime Minister/Minister of Foreign Affairs.

*Integrated Framework Secretariat (IFS)*² provides overall policy direction in response to issues raised at the Trade and Private Sector Working Group (TPSWG) meetings. The secretariat is tasked to ensure the inter-ministerial discussion as well as Public-Private Dialogue in order to maximize the gain from global economic integration.

Program Executive Committee (PEC) is responsible for project supervision. It is established in line with the Paris and Vientiane Declarations on Aid Effectiveness and its mandate is to provide strategic advice, coordination, common operating guidelines with regard to the implementation of TRA programs and projects in Lao PDR. In addition, the PEC will provide a forum for transparency and information exchange in the development and implementation of TRA. The PEC is chaired by the Vice Minister of MoIC, Mrs. Khemmani Pholsena, and co-chaired by Mr. Stefan Schleuning, Head of Cooperation of the European Union.

Trade Private Sector Working Group (TPSWG) is the main forum for Government-Donor dialogue. Its structures and processes are intended to promote implementation of the principles of the Vientiane Declaration on Aid Effectiveness in Lao PDR. The mechanism aims to support the

² The coordination structure is presently being reviewed to enhance

NSEDP objective of promoting growth and poverty reduction through stronger PSD, regional integration, and trade promotion.

The TPSWG is established within the framework of the Round Table Process and should link other fora such as the Macroeconomic Sector Working Group, the IFS, and the public-private dialogues (Lao Business Forum, provincial-public-private dialogues). The TPSWG is intended to integrate strategic discussion and consultation on Trade and PSD policy and NSEDP implementation within the SWG mechanism.

Implementing Agencies (IAs) carry out implementation of project components and day-to-day activities. This includes the preparation of work plans, taking the lead on issues related to technical implementation, ensuring the delivery of specific project outputs, and progress reporting to the NIU and the EIF at large. Work plans are usually designed for a twelve months period following the Government's fiscal year (October to September). The work plans are then presented, reviewed, and discussed in detail at the bi-annual PEC meetings. In case major adjustments to the work plan need to be made e.g. implementation falls behind the schedule, adjustments to the work plans can be made at the PEC meetings. IAs will also work closely with the NIU and report to the NIU with regard to all fiduciary and administrative aspects. Progress on project implementation will be reported at the PEC, which provides broad supervision on all activities under the trade and PSD program (Trade Development Facility (TDF), EIF, bilateral programs).

National Implementation Unit (NIU) is the main coordination office for TRA channeled through the MoIC. Initially, the NIU was set-up as a project implementation unit (PIU) for the IF and DTIS 2006 action matrix. Over time this PIU was transformed into the NIU and has become the key Aft coordination and supervision unit of the Government and presently based in the Department of Planning and Cooperation of MoIC. Together with the aid of the EIF and the TDF projects, the capacity of the NIU has been consistently built up. Today, the responsibilities cover both fiduciary and technical aspects:

Fiduciary

- Financial management of donor funded projects, and
- Procurement of goods and services for IAs under all TDF and EIF activities

Technical

- Strategy development,
- Project formulation,
- Implementation support,
- Planning and programming,
- Project coordination,
- Monitoring and evaluation, and
- Donor coordination

In addition to administrative coordination and fiduciary responsibility, the NIU takes on further responsibilities. For example, the NIU is

- Secretariat to the Integrated Framework Governance Structure, and consequently to the NSCEI,
- Secretariat to the TPSWG,
- Secretariat to PEC,
- Coordinating multilateral and bilateral TRA projects, including TDF-1 (closed as of March 2013) and TDF-2 (since April 2013), EIF Tier-1 and Tier-2, UN agencies, and assistance of the Governments of Germany, the United States, and other projects, and
- Leading and managing DTIS implementation including the update process.

b. DTIS and the Lao PDR Trade and PSD Program

The present Lao PDR trade and PSD program is guided by the DTIS 2006 and the 2012 DTIS Update. While the World Bank produced the first DTIS, the DTIS Update 2012 was completely government-led and coordinated by the NIU and is closely aligned with the NSEDP, the Government's five-year plans. This success has set a new milestone in the EIF process. Within the DTIS Update a detailed trade and PSD roadmap was developed. The roadmap is used to guide trade-related donor interventions and ensure that donor assistance is closely aligned with Government priorities. The DTIS Update is also the basis for the TPSWG work program under the Round Table process.

Following are the current TRA programs in Lao PDR:

- ***Trade Development Facility:*** The TDF is a multi-donor trust fund committed to trade development. The first TDF was active from 2008 to March 2013 and was then succeeded by the TDF-2 since April 2013 and will run until March 2017. Contributors to the first TDF, with a total volume of USD 7.6 million, were the Governments of Australia, Germany, and the European Union with the World Bank as trust fund manager. For the new, second TDF financial support was received additionally to the initial contributors from the Government of Ireland and the World Bank. The total fund volume increased by almost 100% to USD 14 million and is now the largest single source of TRA.
- ***Enhanced Integrated Framework:*** The EIF complements the TDF activities with strong partnership arrangements between EIF and TDF to reduce transaction costs for the Government. For example, TDF and EIF aligned their financial year to the Government's fiscal year and share progress reporting, work plans, steering committee meetings, and a single external audit. Under the Tier-1, significant resources have been invested in building the capacity of the NIU (jointly with TDF) as well as in developing strategic frameworks for trade. The most important one is the DTIS and the DTIS Update in 2012, which was completely Government-led. The DTIS is now fully aligned with Government priorities and enjoys a high ownership. Presently more projects are being developed under Tier-2 which will provide assistance to fill in gaps in trade and PSD not covered by TDF-2.
- ***Other technical and financial assistance:*** There are several other technical and financial assistance commitments by various development partners (DPs). These include, but are not limited to, the World Bank/International Development Association (IDA), the Japan Social Development Fund (JSDF), the Asian Development Bank (ADB), the assistance of the

Governments of Germany (GIZ), the United States (US-LUNA), as well as a United Nations (UN) Cluster project, UN-SECO. Other organizations provide bilateral support such as IDEAS Center from Switzerland.

Most of the above assistance is channeled through the NIU in order to avoid overlap and duplication. The NIU takes also a leading role in aligning the donor assistance with Government priorities as set out in the DTIS Update and NSEDP. It is expected that the number of projects and tasks handled through the NIU will be increasing in the future as the merits of the existing coordination structure between the government and donors is increasingly recognized by donors/DPs. Yet, convincing donors to accept the Government project steering structure - the PEC and associated with that adopting uniform reporting requirements, aligning project cycles to the Government's fiscal year, etc. still remains a major challenge for MoIC. However, the success of previous PEC and TPSWG meetings has contributed to good Government-DP relations.

c. Achievements during EIF Tier-1 Phase 1

The following section presents a brief assessment of achievements in Phase 1 against expected results outlined in the original project document.

Project Outcome 1: Enhance institutional capacity to coordinate and implement trade related policies and trade related projects

Output 1.1: Significant increase in efficient and effective implementation of the DTIS Action Matrix

The targeted outputs under output 1.1 have been achieved. For example, the NIU continues to be adequately staffed and equipped, Tier-2 project have been formulated and approved by TAC-2, and the DTIS has been updated in 2012.

In close coordination with the TDF, the EIF Tier-1 contributed to increased capacity of a well-staffed and equipped NIU, best exemplified in NIUs ability to manage and coordinate several large programs and projects. In the near future, total volume of all programs and projects will reach USD 67.2 million³.

The NIU has also successfully formulated Tier-2 project on “Strengthening National Quality Infrastructure and Industrial Statistics for Lao PDR”. The proposed Tier-2 project was approved by TAC-2 and has been submitted to the EIF Board for approval.

The GoL took strong ownership of the process with NIU being the leading entity in the planning, management, and drafting process of the DTIS. The vice-ministers of both the MoIC and Ministry of Planning and Investment played a key role as chair and co-chair of the DTIS Review Committee. They provided active comments on the drafts and process as well as facilitated and chaired consultation workshops in three parts of the country: Vientiane (Central) and provinces (North and

³ TDF-2 (USD 14 million), EIF (3.5), UN-Cluster project (4, further 12 expected in the near future), SECO/IDEAS Center (1.2), GIZ (5), USAID (8.5), World Bank (19).

South). By the end of 2011, the draft DTIS update was finalized and validated in May 2012. Official launch of the DTIS update was in October 2012.

Output 1.2: Improved inter-ministerial coordination; and

Output 1.4: Improved and sustained functioning of the Lao IF Secretariat

In 2008, five IF task forces were established to implement the TDF-1 project (ended March 2013). The task forces remained active beyond the TDF project cycle and assist in the implementation of the TDF-2 (since April 2013). The IFS is very active and meets annually. The latest IF Secretariat meeting held in September 2013 facilitated a fruitful discussion among different ministries and private sector representatives and addressed issues raised at the third TPSWG meeting.

The coordination structure (WTO Secretariat, IFS, and Trade Facilitation Secretariat) is presently being reviewed in order to enhance better synergies and operations. One of the considerations is to upgrade from secretariat to sub-committee.

Output 1.3: Improved Government and DPs coordination in the area of trade and PSD;

In July 2012 the trade and private sector sub-group under the macroeconomics sector working group has been elevated to a full sector working group, namely the TPSWG. In the last semi-annual meeting of the macroeconomics sector working group in 2011, the NIU submitted the terms of reference for the TPSWG to the Department of International Cooperation at the Ministry of Planning and Investment. The official approval was made at the end of 2011 and the first TPSWG meeting held in July 2012 with 78 participants from relevant agencies. Since then the TPSWG has met twice per year and on 10 October 2013 convened for the fourth time. The PEC was streamlined with this first TPSWG to better harmonize AfT projects.

Project Outcome 2: Enhanced management capacity within the relevant line ministries involved in the implementation of trade related

Output 2.1: Improved project management skills of NIU staff and the respective IAs; and

Output 2.2: Improved English communication skills

During the course of the Tier-1 Phase 1, more than 3000 participants have attended trainings and workshops under Tier-1 Phase 1, both within Lao PDR as well as internationally. Trainings and workshops have concentrated on three main areas:

(i) Project management, such as

- Consultant management (Domestic)
- Internal control for project management (Domestic)
- Proposal writing and fund raising (Domestic)
- Project M&E (Domestic)
- Leadership and human resource management (International)

- Leadership development (International)
- Governance & Public Administration program (International)
- Results-based management implementation and performance indicators (International)

(ii) Trade mainstreaming, such as

- Program-based approaches in trade sector (Domestic)
- Laos-Cambodia NIU exchange on PSD strategy and programs (Domestic)
- Laos-Cambodia NIU exchange on Trade Mainstreaming strategy and programs (International)
- Results management for sustainable PSD (International)
- M&E for Trade Sector (International)
- Conducting effective trade events (International)
- Lao-Singapore exchange on trade strategies and economic development (International)
- Economic Planning and Development (International)

(iii) English language training.

According to the training evaluation forms provided by participants, more than 90% rated the training very useful and relevant to their job and were also satisfied with the quality of the workshop. In improving English communication skills, Tier-1 has supported five staff members to attend comprehensive English courses in Vientiane College – a high quality English language school in Lao PDR, one of which now pursues further study in Korea. Nevertheless, one lesson learned in providing training is to adopt a more systematic approach, which was lacking in the past and trainings followed ad-hoc requests and reacted to emerging needs. Also, the NIU had difficulties in monitoring the success and ultimately the impact of interventions e.g. if the capacity within a department has indeed increased, and if yes, if this was due to the training.

Project Outcome 3: Enhanced public and private's knowledge and awareness on the policy implication of trade and PSD on growth and poverty alleviation.

Output 3.1: Improved knowledge of GoL official on trade, PSD and growth strategies

To attain these targets, a series of workshops and trainings have been conducted in cooperation with research and academic institutions in Lao PDR. For example, a one-day workshop on “Program Based Approached in the Trade Sector in Lao PDR” was organized by the NIU to achieve a common understanding of key concepts, specific challenges, the value of sector approaches in trade, and identifying challenges and implications of a program-based approach. Another workshop on "Result Measurement for Sustainable Private Sector Development" was held in Bangkok and aimed at learning about set-up of a practical results measurement system that can be used for internal learning and decision making. The project also supported a research study on “trade-poverty linkages” as well as the impact of regional trade agreements. Both studies have been completed, published, and disseminated.

Output 3.2: Improved awareness on trade issues

The NIU developed several outreach and communication tools include the Lao Trade Magazine, newsletters, trade briefs, factsheets, and engaged in TV spot productions. For example, most recently the 9th issue of the Lao Trade Magazine was published and circulated to the general public and the private sector. Short EIF films -“Trade Works: Boosting Livelihoods, Building Future” and the Country Profile (premiered in the UN LDC-IV in Istanbul from 18-19 July 2011) were recently produced. The website continues to be updated regularly and the NIU has received official recognition of the new Aid for Trade logo. The Lao Trade Magazine as well as final DTIS update 2012 is available on the website and in hard copy. By September 2013, the NIU website counted 86,500 total visits and around 200,000 downloads⁴. Additionally, the NIU translated key EIF documents such as the DTIS 2012 Update, “EIF Policy Briefs”, “EIF in Brief”, and the “EIF Quick Guide for TRTA for LDCs”.

Output 3.3: Trade mainstreamed into the NSEDP

A key objective was to raise the profile of trade in the GoL national development agenda. The 7th NSEDP (period 2010-2015) acknowledged the important role of trade and PSD and promotes a sound and stable business, trade, and investment environment. The preparation process for the 8th NSEDP has just started and the NIU/DPC will play a leading role in the preparation and mainstreaming of trade and PSD.

d. Challenges and Rationale

The NIU is set up to overcome the implementation difficulties following the completion of the DTIS. With the support from DPs, it has successfully done so. In the EIF Tier-1 Mid Term Evaluation report, the overall project performance was rated *Near Highly Satisfactory*. Challenges managed successfully in the past include instituting administrative deadlines and contracting consultants to facilitate the progress of project implementation, allocating sufficient funds for national and international consultants to help build staff and local capacity, continuing to strengthen NIU staffing levels and NIU/IAs core technical competencies, and to some degree developing a better understanding of trade-poverty linkages.

The challenges and tasks still to be undertaken, as stated also in the EIF Tier-1 mid-term implementation report, are to attain the sustainability for trade mainstreaming and donor coordination (purpose of this project) and updating the DTIS Trade and PSD Roadmap in line with the planning cycle of the 8th NSEDP. The NIU aims to maintain a regular and annually updated matrix of all TRA programs (donor matrix), a database to meaningfully engage in the Round Table Process. This includes also a compilation of previous studies and reports as reference material. In addition, the DPC has been requested by the Government to prepare inputs on trade and PSD for the upcoming 8th NSEDP (2016-2020). For this, the NIU assumes a leading role by developing the

⁴ Visits includes all visits on the NIU website; downloads include the download of any document from NIU website or directly downloaded from search engines.

initial concept and lead the preparation process. With the overall increasing number of (bilateral and multilateral) TRA programs and projects, the NIU, as the Secretariat to the PEC, faces a great challenge to ensure program alignment, effectiveness and avoid duplication. The NIU needs to increase its technical capacity in order to actively participate in the negotiation processes on project design and preparation.

Moreover, as suggested in the mid-term evaluation, a strategy for engaging the private sector needs to be developed as part of supporting Lao PDR's integration into the global trading system with a view to contribute to poverty reduction and sustainable development. As Lao PDR is now a member of the World Trade Organization (WTO) and is entering the ASEAN Economic Community (AEC), the private sector and small and medium enterprises (SMEs) in particular will need to gain a better understanding of the changing competitive environment under the WTO and ASEAN trading system and how to exploit their competitive advantages in domestic and foreign markets. However, without an overall strategy on how to engage the private sector there is a risk that Tier-2 and other TRA projects will lack coherence. The NIU can play a role in developing such a strategy to better coordinate and prioritize projects, including consolidating some of the activities.

Therefore, to further build on what has already been achieved within the NIU and relevant line ministries and address the capacity constraints, the continuing support in Phase 2 of the EIF Tier-1 is needed. The objectives of the Phase 2 remain the same as the original project document. Those aim at consolidating efforts to enhance the national capacity to formulate, implement, manage and monitor a pro-poor trade policy and to strengthen the trade integration and coordinate mechanisms in Lao PDR. The Phase 2 support will focus on the need to further enhance capacity of all NIU staffs, to boost trade sensitization among line ministries and other institutions including through communication materials; to further mainstream trade into the NSEDP; to play a pivotal role in the upcoming 8th NSEDP; and to meet the increasing demands for additional projects.

III. LOGICAL FRAMEWORK

The following logical framework (logframe), Table 1, provides an overview of the main goal and purpose of the Tier-1 Phase 2. The expected outcomes and outputs including associated indicators are also presented in Table 1. This logframe is an update of the original logframe in the Tier-1 Phase 1 project document. It also reflects the global logframe for Tier-1 as guided by the EIF Compendium 2011.

Table 1: Logical Framework of Tier-1 Phase 2

Narrative	Key Performance Indicators`	Baseline	Target/Milestone	
			2014	2015
Goal: Support Lao PDR's integration into the global trading system with a view to contribute to poverty reduction and sustainable development	G3. Poverty head count. G4. Per capital growth rate. G5. Gini-coefficient			
Purpose: Enable Lao PDR to become fully integrated and active players in, and beneficiary of, the global trading system through mainstreaming trade	P1. Value of non-resource goods traded. P2. Non-resource goods trade diversification. P3. Logistics performance index (LPI).			
Outcome 1: Sufficient institutional and management capacity built in Lao PDR to formulate and implement trade related strategies and implementation plans	O1.2. DTIS and Trade & PSD Roadmap periodically reviewed/updated.	DTIS 2012 update and Trade & PSD Roadmap launched in 2012.		Target (2015): Trade and PSD roadmap updated
	O1.4. Up-to-date Trade Strategy (not older than five years).	Baseline (2013): Yes	Target (2014): Yes	Target (2015): Yes
	O1.5. Quality trade strategy.	Baseline (2013): 2 "Good"		Target (2015): 1 "Very good"
	O1.6. Quality trade strategy implemented.	Baseline (2013): 3 "Satisfactory"		Target (2015): 2 "Good"
Outputs: - Progress report on the implementation of the roadmap for Trade & PSD - Improved MoIC's capacity building program - Improved key MoIC staffs' management skills and trade related technical capacity	- Existence of progress report on the implementation of the DTIS Roadmap. - Existence of Capacity Needs Assessment. - Existence of Capacity Building	Baseline (2013): Yes	Target (2014): Yes Target (2014): Existence of capacity needs assessment Target (2014): Existence of Capacity	Target (2015): Yes

to further establish, review and implement the quality trade strategies	Plan for MoIC. - Number of trainings/workshops participated. - Number of participants in trainings/workshops.		Building Plan for MoIC. Target (2014): 2 Target (2014): 12	Target (2015): 2 Target (2015): 13
Outcome 2: Mainstreamed trade into the national development strategies and plans	O2.1. Trade included in the National Socio-Economic Development Plan. O2.2. Existence productive sector strategies for key sectors integrating the trade dimension. O2.3. Functioning public-private consultation mechanisms.	Trade included in the 7 th National Socio-Economic Development Plan Baseline (2013): Yes Baseline (2013): The xx th Lao Business forum organized	Target (2014): Yes Target (2014): 1	Target (2015): Trade included in the 8 th National Socio-Economic Development Plan Target (2015): Yes Target (2015): 1
Outputs: - Trade & PSD included in the NSEDP 8 - Trade & PSD included in key productive sectors through the revision and involvement in the 8 th NSEDP preparation process - Increased profile of trade and PSD in the GoL development agenda - Private Sectors participated in PEC, TDS, and TPSWG	- Existence of Trade & PSD Plan to be incorporated to the NSEDP 8. - Number of trade related research/study conducted. - Number of Lao AfT websites 'hits'. - Number of downloads. - Number of publications published.		Target (2014): 1 Target (2014): 50,000 Target (2014): 120,000 Target (2014): 2	Target (2015): Yes Target (2015): 1 Target (2015): 70,000 Target (2014): 180.000 Target (2015): 3
Outcome 3: Coordinated delivery of trade related resources by donors and IAs to implement DTIS Trade & PSD priorities	O3.1. Availability of an annual rolling implementation overview integrating both trade-related government and donor-supported activities. O3.2. Frequency of Trade and Private Sector Working Group meetings. O3.4. Existence of joint donor initiatives in the trade area.	Baseline (2013): Yes The 4 th Trade and Private Sector Working Group meetings organized in 2013 Baseline (2013): 2 (EIF and TDF) (accumulative)	Target (2014): Yes Target (2014): 2 Target (2014): 3 (accumulative)	Target (2015): Yes Target (2015): 2 Target (2015): 5 (accumulative)

Outputs: <ul style="list-style-type: none"> - Active IF Secretariat - Active PEC - Active TPSWG - Strengthened NIU's role in TRA programs formulation and implementation - Strengthened NIU's role as secretariat functions of the Trade for Development Secretariat, PEC and TPSWG 	<ul style="list-style-type: none"> - Existence of up-to-date Donor Matrix. - Increased value of TRA channeled through the NIU/FAD of the MoIC. - Number of project adopting PEC as its governance structure. - Number of PEC meetings held as stated in its ToR. - Number of TPSWG meetings held as stated in its ToR. 	<p>Baseline (2013): US\$25 mil (accumulative)</p> <p>Baseline (2013): 3 (accumulative)</p>	<p>Target (2014): Donor matrix updated</p> <p>Target (2014): US\$28 mil (accumulative)</p> <p>Target (2014): 5 (accumulative)</p> <p>Target (2014): 2</p> <p>Target (2014): 2</p>	<p>Target (2015): Donor matrix updated</p> <p>Target (2015): US\$30 (accumulative)</p> <p>Target (2015): 6 (accumulative)</p> <p>Target (2015): 2</p> <p>Target (2015): 2</p>
Outcome 4: Secured Resources in support of initiatives that address DTIS Trade & PSD priorities	<p>O4.2. Existence of government budget for the implementation of trade related matters.</p> <p>O4.4. Number and amount of projects funded by donors related to the Trade and PSD Roadmap.</p> <ul style="list-style-type: none"> • Number of projects • Value 	<p>Baseline (2013): Yes</p> <p>Baseline (2013): 9 projects (accumulative)</p> <p>Baseline (2013): \$35k (accumulative)</p>	<p>Baseline (2014): Yes</p> <p>Target (2014): 11 projects (accumulative)</p> <p>Baseline (2014): \$40k (accumulative)</p>	<p>Baseline (2015): Yes</p> <p>Target (2015): 13 projects (accumulative)</p> <p>Baseline (2015): \$50k (accumulative)</p>
Outputs: <ul style="list-style-type: none"> - Approved Tier-2 projects - NIU involved in the bilateral assistance program formulation - Smoothened transition from currently EIF funded functions/staff to MoIC functions/staff at the end of the project 	<ul style="list-style-type: none"> - Number of Tier-2 projects formulated and submitted for approval. - Number of bilateral project negotiated. - Increased number of Government staff working at the NIU 	<p>Baseline (2013):1</p> <p>Baseline (2013):4 (accumulative)</p> <p>Baseline (2013):8</p>	<p>Target (2014): 2 (accumulative)</p> <p>Target (2014): 5 (accumulative)</p> <p>Target (2014): 10 (accumulative)</p>	<p>Target (2015): 3 (accumulative)</p> <p>Target (2015): 6 (accumulative)</p> <p>Target (2015):12 (accumulative)</p>

IV. PROPOSED EIF TIER-1 PHASE 2 ACTIVITIES

All proposed activities in Phase 2 build on the achievement of EIF Tier-1 Phase 1 in which focuses on increasing institutional, managerial, and technical capacity. The proposed activities entail the continuation to coordinate, monitor, implement, mainstream and formulate projects managed by the NIU and in this instance national/international experts in the areas of trade, finance, and public relations are requested. The preparation of the 8th NSEDP is proposed in the Phase 2 to response to urgent need of the Government of Lao PDR (GoL) to develop the 8th plan before the completion of the 7th plan in 2015 and to attain the main purpose of the project in mainstreaming trade. Moreover, to further address the capacity constraints as recommended in the MTE as well as ensure the exit plan and sustainability beyond 2015, the NIU proposed that the assessment of the capacity needs for the MoIC is supported together with the development of the capacity building plan.

Outcome 1: Sufficient institutional and management capacity built in Lao PDR to formulate and implement trade-related strategies and implementation plans

Outputs:

- Progress report on the implementation of the roadmap for trade and PSD
- Improved MoIC's capacity building program
- Improved key MoIC staffs' managerial and technical skills to further establish, review and implement the quality trade strategy

A review and update of the DTIS trade and PSD roadmap is proposed. At present the current 2012 DTIS has been officially validated and forms the basis for TRA projects. The DTIS has been extremely useful and therefore it is important to regularly review and update this document. With the aide of a donor matrix, the NIU is currently in the process of reviewing all intervention areas and identifying the ones to which no resources have been allocated yet. Once the progress report on the implementation of the trade and PSD roadmap is available, the NIU will be in the better position to analyze and prioritize neglected areas, which will form the basis for the update of the roadmap.

Furthermore, the activities under outcome 1 also include an in-depth capacity needs assessment and the development of a capacity building plan. To date, numerous trainings and workshops with more than 3000 participants have been carried out under Tier-1 Phase 1 (*see Section Background and Rationale for Additional Financing, part C for more details on training courses*).

The NIU tried to respond to emerging training needs within the different IAs. However, a systematic approach was lacking since trainings in the past followed ad-hoc requests. It was also difficult to monitor the success and ultimately the impact of interventions e.g. if the capacity within a department has indeed increased, and if yes, if this was due to the training. In some cases, participants did not fully complete the training provided if the training required substantial additional effort e.g. language training.

The capacity needs assessment therefore intends to produce a stock-taking and evaluation of the results (whether past training/workshop activities have actually increased the capacity) and provide a prioritized overview of current capacity building needs in the various departments (beneficiaries).

Further, it is expected that the assessment sheds light on the effectiveness and efficiency of particular activities and outline why certain activities have been successful, and how less successful ones can be enhanced. This exercise will review all past activities, including the selection of candidates, and make recommendations for incentive schemes to reduce drop-out rates.

Based on the capacity building assessment, the MoIC's capacity building plan will be developed. The plan will produce a list of trainings for MoIC and implementing departments of other line ministries in order to increase Government's capacity to support the country's regional and global economic integration. The plan will also outline the selection process for participants for different trainings, based on the recommendations in the needs assessment. The trainings will be also designed to ensure complementarity with other training programs of other projects. The implementation of the strategy, and hence training activities, will commence as soon as the strategy is finalized and the appropriate structures are in place.

The need to continue to focus on the Government's human and institutional trade-related capacity and skills improvement has been highlighted in the mid-term evaluation for EIF Tier-1 to ensure program sustainability and enhancement of program ownership, i.e. review and update quality trade strategies. With the assistance of the EIF, Lao PDR has successfully developed the trade and PSD roadmap and integrated the AfT implementation structure into the existing institutional structure. In light of the ever increasing trade program and the demand for greater coordination by NIU, as the core coordinating and implementing entity, it is necessary to continue to invest in capacity building of the NIU and IAs.

It is envisaged that the capacity building plan be conducted within the first six months of the first year and training activities commence shortly after that (as soon as necessary structures are in place). Therefore the budget for training activities is proportionally divided between the first (1/3) and second year (2/3). This approach shall ensure that there are sufficient funds to address the needs identified in the needs assessment.

Outcome 2: Mainstreamed trade into the national development strategies and plans

Outputs:

- Trade and PSD included in the NSEDP 8
- Trade and PSD included in key productive sectors through the revision and involvement in the 8th NSEDP preparation process
- Increased profile of trade and PSD in the GoL development agenda
- Private sector actively participated in PEC, TPSWG, and IFS

A key activity under this outcome 2 is the preparation of the 8th NSEDP. The implementation of the 7th NSEDP (2011 – 2015) will be completed in 2015 and the GoL is in the process of preparing for the 8th NSEDP from 2016 – 2020. The MoIC will be responsible for providing substantial input to areas of trade and PSD. The involvement of the NIU in the preparation of the NSEDP 8 offers the opportunity to fully harmonize and mainstream trade in the national development agenda and will thereby significantly contribute to achieving the main goal of Tier-1. The preparation process includes the establishment of an advisory committee led by the MoIC, the presentation of the

concept to the Ministry of Planning and Investment, the appointment of a technical drafting team led by the Director General of DPC, Steering Committee meetings, and the organization of at least three provincial consultation workshops. To assist the MoIC in drafting this, the input from one international senior economist and one national economist is required. The NIU will be heavily involved in the NSEDP drafting process and thereby be able to ensure that trade and PSD issues are properly reflected in strategies of key productive sectors.

Other activities proposed for this outcome include conducting trade and PSD-related studies, releasing publications, and maintaining Lao AfT website. The website (www.laosaft.org), an integral part of the NIU outreach strategy is well established through the support of Tier-1 Phase1. All key documents such as the Lao trade magazines, the DTIS update 2012, and others are available to download on the website. By September 2013, the NIU website counted 86,500 total visits and around 200,000 downloads⁵. The Lao Trade Magazine, published by the NIU, is a semi-annual magazine to increase awareness about trade issues in Lao PDR. The magazine is distributed both in hard and soft copy and the 9th issue has been published in August 2013. Due to the positive response from its readership the continuation of this activity is proposed. Other means to increase knowledge and information on trade issues and program such as factsheets and reproductions are also planned under this outcome.

To address the MTE recommended to further explore the impact of trade on poverty reduction. In 2013, Tier-1 Phase 1 supported a preliminary study on the nexus between the two but much work remains to be done as this topic is relatively broad and theoretical. The proposed study should seek to clarify a number of areas i.e.

- i. The impact of trade-related policies on poverty levels;
- ii. The effect of existing donor projects on production of tradable products in poor communities, both at the national and local levels;
- iii. The evaluation of national, provincial and district surveys in Laos that examined how trade has impacted on the poor;
- iv. Providing an inventory of methods and techniques for analyzing and measuring the impact of trade on the poor.

The activity to engage more private sectors of the NIU have been seen through their involvement in the PEC, TPSWG, and IFS meetings. Their participation gradually becomes more and more meaningful as they become more familiar and comfortable with the meetings. They are able to express their views and comment on how the business environment in Lao PDR can be further improved. The NIU will continue and encourage with this process of private sector participation. It is however very important that the NIU begins to develop a concept to develop a strategy to effectively engage the private sectors as highlighted in the mid-term evaluation.

Outcome 3: Coordinated delivery of trade-related resources by donors and IAs to implement DTIS

⁵ Visits includes all visits on the NIU website; downloads include the download of any document from NIU website or directly downloaded from search engines.

Outputs:

- Active IFS
- Active PEC
- Active TPSWG
- Strengthened NIU's role in TRA programs formulation and implementation
- Strengthened NIU's role as secretariat functions of the PEC, TPSWG, and IFS

To achieve the outputs under outcome 3, the activities proposed entail the organization of semi-annual TPSWG meetings in partnership with the TDF-2 project as well as support the NIU's secretariat functions of the PEC, TPSWG, and the IFS. It is extremely important in improving the coordination of TRA delivery as well as build on the success of the NIU as the implementing and managing agency for the first and second TDF and EIF projects that these three mechanisms remain active. While the PEC provides strategic advice, coordination, common operating guidelines with regard to the implementation of trade-related programs and projects, the TPSWG is the Government-Donor coordination body. The TPSWG is one of ten sector working groups under the national roundtable process, the high-level Government-Donor dialogue forum and an avenue for Donors to influence policy formulation and strategy. Both the PEC and TPSWG meetings are key tools for the implementation of the Paris and Vientiane Declarations on Aid Effectiveness. The IFS on the other hand leads to the improvement of the intra-ministerial coordination to mainstream trade dimension into the productive sectors and private sector engagement. The tasks for the NIU as the secretariat for all three functions include planning the agenda, updating the TRA donor matrix, preparing progress reports and arranging all logistic matters.

It is proposed that the NIU will undertake the following additional activities to achieve outcome 3:

- i. Tier-2 project formulation,
- ii. Bilateral project proposal reviews,
- iii. Implementation of TDF, SECO-UN Cluster, and the JSDF project,
- iv. Project monitoring and evaluation, and
- v. Updating of the donors matrix.

While the NIU has been successfully integrated into the Ministry's structure (as part of the Foreign Aid Division (FAD) of the DPC), the operational and technical capacity to manage the above mentioned tasks show still room for improvement. It is recommended in the Tier-1 mid-term evaluation that Phase 2 continue to focus on building technical competence in the areas of applied trade and PSD and it can be done through greater use of national and international experts that can provide on-job-trainings as well as other knowledge sharing activities.

At present, there are six national staffs financed by the EIF, namely two senior trade analysts, one public relations officer, one program assistant, one accountant clerk, and one driver. It is proposed that the consultants are continued to operate in the NIU to maintain the current capacity within the unit. Further, it is proposed to strengthen the team with one additional staff to support the communication officer handling the increasing communication workload. To support the project's

financial reporting requirements, one part-time international expert will be engaged. Funding for the expert comes from EIF Tier-2, the UN Cluster Project UN-SECO, and the TDF. The time input for EIF funding of the financial expert is estimated to 1.5 months per year (33 days per year or 3 months over the whole project period)⁶. The M&E officer, national and international procurement officers, and trade and PSD advisors along with several other supporting staffs that are based in the NIU are financed by the TDF-2. Currently, eight Government employees work at the NIU

Outcome 4: Secured Resources in support of initiatives that address DTIS Trade & PSD priorities

Outputs:

- Approved Tier-2 project proposals
- NIU involved in the bilateral assistance program formulation
- Smoothened transition from currently EIF funded functions/staff to MoIC functions/staff at the end of the project

The MoIC proposed that NIU be more involved in Tier-2 and bilateral project formulation. Complementary to TDF's trade and PSD advisors, the Tier-1 extension will finance a senior trade analyst based in the NIU to assist in initiating Tier-2 projects and guide the proposal through the approval process. In addition, NIU staffs will provide inputs to concept notes of bilateral projects to ensure all projects are aligned with Government priorities as set out in the DTIS trade & PSD roadmap. The support for technical meetings with potential IAs during the project identification and project design phases is therefore necessary for Phase 2.

Within the two year period of Phase 2, the NIU aims at minimum three new Tier-2 projects for Lao PDR to address priorities identified in the trade and PSD roadmap (establishing a conducive trade and investment environment; improving competitiveness, quality and value of agribusiness, manufacturing and service sectors; improving the AfT governance framework for mainstreaming trade and PSD). For the formulation and development of the proposals a separate budget will be requested from the EIF.

To ensure the smooth transition from currently EIF funded functions/staff to MoIC functions/staff at the end of the project, it is expected that the MoIC will be able to make a strong case to increase the annual budget and to involve more government officials working in NIU by 2016 (end of the project). In addition, some key positions may still be financed under other AfT projects/programs such as the TDF as well as through direct donor/DPs funding.

⁶ This item is listed in the budget under the general implementation support.

V. WORK PLAN

The approximation work plan for the Phase is presented in Table 2. The work plan is listed out all the proposed activities and their timelines.

Table 2: Work Plan for Tier-1 Phase 2

Outcomes	Outputs	Activities	Year 1				Year 2			
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1. Sufficient institutional and management capacity built in Lao PDR to formulate and implement trade-related strategies and implementation plans	<ul style="list-style-type: none"> - Progress report on the implementation of the roadmap for Trade & PSD - Improved MoIC's capacity building program - Improved key MoIC staffs' management skills and trade-related technical capacity to further establish, review and implement the quality trade strategies 	Provide annually the progress report on the implementation of the Roadmap for Trade & PSD				x				x
		Conduct capacity needs assessment	x	x	x					
		Develop capacity building plan				x				
		Training of MoIC & IAs staffs in project management and trade-related		x	x	x	x	x	x	x
		Training of MoIC & IAs staffs in English language course		x	x	x	x	x	x	x
2. Mainstreamed trade into the national development strategies and plans	<ul style="list-style-type: none"> - Trade & PSD included in the NSEDP 8 - Trade & PSD included in key productive sectors through the revision and involvement in the 8th NSEDP preparation process - Increased profile of trade and PSD in the GoL development agenda - Private Sectors participated in PEC, TDS, and TPSWG 	Drafting Trade and PSD Chapter for the NSEDP 8.	x	x	x	x				
		Conduct trade-related study				x				
		Release Lao Trade Magazine	x		x		x		x	
		Regularly maintain the Aft Website	x	x	x	x	x	x	x	x
3. Coordinated delivery of trade-related resources by donors and IAs to implement DTIS Trade & PSD priorities	<ul style="list-style-type: none"> - Active PEC. - Active TPSWG. - Active Trade for Development Secretariat - Strengthened NIU's role in TRA programs formulation and 	Organize TPSWG meetings		x		x		x		x
		Extend the contract for existing national and part-time international consultants	x							
		Recruit a new Public Relations Assistant	x							

	implementation. - Strengthened NIU's role as secretariat functions of the Trade for Development Secretariat, PEC and TPSWG.								
4.Secured Resources in support of initiatives that address DTIS Trade & PSD priorities	- Approved Tier-2 projects - NIU involved in the bilateral assistance program formulation - Smoothened transition from currently EIF funded functions/staff to MoIC functions/staff at the end of the project	Formulate Tier-2 project concept notes to address priorities identified in the Trade and PSD Roadmap and implementation difficulties	x			x			x

VI. BUDGET

The total budget for the EIF Tier-1 Phase 2 will be USD 743,220 whereas the funding requested from EIF amounts to USD 600,000 and the Government contribution totals USD 143,220. Table 3 provides a detailed composition of the EIF funding and Table 4 the government contribution. A detailed budget is provided in a separate Excel file.

Table 3: Funding requested from EIF for Tier-1 Phase 2

Account	Category	Year 1	Year 2	Total
71200	International experts	40,800	55,800	96,600
71300	Supporting Staff	20,040	20,040	40,080
71400	National experts	98,000	63,000	161,000
72200	Equipment	10,000	10,000	20,000
74100	Professional services*	65,000	5,000	70,000
74200	Communication	30,000	30,000	60,000
74500	Sundries	6,159	6,159	12,319
716000	Travel & Mission	12,000	12,000	24,000
75700	Training & Workshops	64,000	52,000	116,000
Total Funding Sought from EIF		345,999	253,999	599,999

* UNDP fee for a past similar assessment.

EIF supported experts and support staffs shall ensure the achievement of all four outcomes stated in the logframe. Moreover, their responsibility to transfer skills and knowledge to Government employees is greatly anticipated.

Phase 2 will rely on the input of two international experts, namely one part-time International Procurement Specialist and one part-time International Financial Specialist. National experts include two senior trade analysts, one public relations officer, and account clerk. Support staffs comprise with one program assistant, one communication assistant and one driver.

Activities under training and workshops encompass the participation of relevant trainings and workshops, organization of meetings and construction of trade-related analysis.

Table 4: Government contribution to Tier-1 Phase 2

Staff position (No. of staff)	Annual Staff Costs (USD)		Total (USD)
	Year 1 (months)	Year 2 (months)	
IF Focal Point (1)	2,400 (3)	2,400 (3)	4,800
Director General, DPC (1)	1,800 (4)	1,800 (4)	3,600
Deputy Director General, DPC (Director NIU) (1)	1,750 (5)	1,750 (5)	3,500
Director of FAD, DPC (Deputy Director NIU) (1)	1,500 (5)	1,500 (5)	3,000
Deputy Director of FAD, DPC (1)	2,160 (8)	2,160 (8)	4,320
Government Staff, FAD, DPC (3)	6,000 (8)	6,000 (8)	12,000
Travel costs	20,000	20,000	40,000
Facility Fees	36,000	36,000	72,000
Total:	71,610	71,610	143,220

The Government contribution for the Tier-1 Phase 2 amounts to USD 143,220 and consists of three different budget positions.

Staff Costs (USD 31,220)

Staff costs are based on the proportional salaries of the staff members over the whole project period of two years. Staff salaries do not include any staff benefits and entitlements. The time estimates for the Tier-1 Phase 2 project are based on past experiences.

Travel Costs (USD 40,000)

Travel costs (Government contribution) for the Tier-1 Phase 2 are budgeted for the EIF Focal Point to attend two high-level conferences/meetings per year in relation to EIF. At present, the position of EIF Focal Point is held by H.E. Mrs. Khemmani Pholsena, Vice Minister of Industry and Commerce at the MoIC. This budget includes flight costs, per diems, and other expenses related to the trip.

Facility Fees (USD 72,000)

The fee for the facility is calculated for the whole project period of two years. It is based on (i) current market price estimations, (ii) size of office space provided, and includes all surcharges and utilities such as phone line, electricity, water, and security services. It also includes basic office equipment.

VII. SUSTAINABILITY

The NIU has become a full-fledged division under the DPC of the MoIC. Presently, the NIU is funded through both the Tier-1 Phase 1 as well as the TDF, a multi-donor trust-fund. Due to the successful trade and PSD program implementation with funding of both Tier-1 and TDF-1 from 2008-2013, the TDF has committed to continue its support to the NIU and AfT program for four more years under the TDF-2 from 2013-2017. With the NIU being able to comply with international reporting, accounting, and procurement standards, all donors from the TDF-1 have renewed, and in fact increased, their commitment for the TDF-2. Moreover, TDF-2 has won the support of additional DPs and the total financial commitment almost doubled from USD 7.6 million to USD 14 million. It is expected that Tier-1 Phase 2 will continue provide support to the current Tier-1 funding and other necessary activities until 2015.

The purpose of the EIF is to “provide support towards mainstreaming trade into development strategies and the enhancement of the LDCs’ capacity to formulate and implement trade-related elements of national development strategies”. To make such support as well as EIF Tier-1 project effective and sustainable, the NIU has developed three sustainability strategies, which respond to areas of mainstreaming trade, donor coordination, and trade-related policies and strategies. The sustainability strategies are as follows:

Sustainability Strategy for Trade Mainstreaming

The process of the DTIS has started closer dialogue and interaction with the national development program. Currently, Lao PDR has validated and launched the DTIS update, which is aligned with the NSEDP. The DTIS also includes a program for trade and PSD in Lao PDR that outlines the strategy for trade integration and mechanisms to achieve the targets of the 7th NSEDP for Lao PDR. This compliments and builds on the existing SME Strategy, NES and provides a unified framework. The DTIS and trade and PSD program will continue to undergo a comprehensive update in line with each planning cycle of future NSEDPs.

Sustainability Strategy for Donor Coordination

To enhance the substance of TPSWG as well as to engage meaningfully in the Round Table process the NIU, as TPSWG secretariat, shall maintain a regular and annually updated donor matrix of projects related to AfT. In addition, a repository of previous studies and reports will be maintained. Moreover, the NIU will continue to encourage donors to participate at the PEC, the main program coordination mechanism for TRA. This will help MoIC to ensure alignment of aid with Government priorities, increase effectiveness and avoid duplication and overlap. The PEC is seen as a key tool for Lao PDR to move towards a program-based approach to trade and PSD. Likewise, Government structures will be enhanced and the reporting of domestic as well as AfT projects will be aligned.

Sustainability for Trade-Related Policies and Strategies

The DPC is the main coordination and planning body within MoIC such as engages in policy and operational planning and cooperation among IAs. The DPC is also responsible for overseeing the

development and management of the Lao PDR trade and PSD program implementation. Over the past few years the Government has deployed an increasing number of staff to the FAD and at present six Government officials (four technical, two supervisory staff) with a responsibility for coordinating AfT as well as providing support functions to the related NIFGS bodies. The FAD will also seek to increase the number of technical Government officials either through the quota system of one new official every year or through the recruitment of interns with the aim of becoming government officials.

VIII. EXIT STRATEGY

The Department of Planning and Cooperation greatly supports the AfT program. All full-time government officials are involved in the day-to-day management and implementation and staff has increased from 3 people at the start of the Tier-1 project (2010) to eight people in 2013. It is expected that the number of government officials engaged in NIU will be increasing over time to gradually absorb duties currently assigned to project staffs/national consultants. To support this process, project staff heavily involves Government officials in day-to-day operations and transfers knowledge with “learning by doing”.

The NIU has been successfully merged into a new division called “Foreign Aid Division”, which is considered an integral part of the DPC at MoIC. Given the strong integration of the trade reform agenda into the national development plan and the integral role of the NIU, it is expected that the MoIC will be able to make a strong case to increase the annual budget and to involve more government officials working in NIU by 2016 (end of the project). In addition, some key positions may still be financed under other AfT projects/programs such as the TDF as well as through direct donor/DPs funding.

IX. FIDUCIARY ARRANGEMENTS

Fiduciary arrangement remains the same as the original project document of Tier-1.

Annex I: EXCERPT OF THE TRADE DEVELOPMENT FACILITY PROJECT APPRAISAL DOCUMENT – SUBCOMPONENT C1: NATIONAL IMPLEMENTATION UNIT, AND TRADE AND PRIVATE SECTOR WORKING GROUP

Component C1: National Implementation Unit, and Trade and Private Sector Development Working Group (US\$ 2,500,000)

102. The NIU was originally established by the MoIC shortly after the original DTIS as the central unit responsible for coordinating the delivery of trade-related technical assistance to Lao PDR. Initially, formed within the General Division of the Foreign Trade Policy Department, the NIU is now the Foreign Aid Division operating at the heart of the new MoIC Planning and Cooperation Department.

103. At the time of the 2006 DTIS, TRTA in Lao PDR was characterized by severe fragmentation with many small projects, and significant overlaps and gaps. Very few projects channeled resources through the government, thus resulting in limited capacity development and limited ownership. Over the course of implementing TDF-1, substantial progress has been made in building the capacity of Lao PDR's ability to manage and absorb TRTA, demonstrated principally through the expansion in capacity and experience of staff in the NIU⁷. The unit is headed by a Director of Division, and includes a mixture of government staff as well as full-time consultants⁸.

104. The NIU will be responsible for coordinating and facilitating implementation of activities under TDF-2, including results monitoring and quality control. The NIU will provide MoIC and the Trade Program Executive Committee with advice on the direction and implementation of TDF-2 and signal any problems and implementation bottlenecks. The NIU will work in close cooperating with implementing departments across MoIC where actual activity implementation will take place. The NIU will be responsible for ensuring uniformity of procedures and compliance with appropriate government and donor regulations by preparing and providing guidelines on activity management, work planning, progress and results reporting, procurement (including preparation of terms of reference, evaluation and consultant performance management) and financial management. Operations of the NIU will be guided by an Operational Manual, approved by the World Bank.

105. The NIU also has a core role in serving as Secretariat to the Trade and Private Sector Working Group (TPSWG). With Lao PDR receiving a not insignificant amount of TRTA, it is critical that the TPSWG function effectively as a mechanism for coordinating and aligning resource flows from donors around an effective partnership for results. The project will provide resources to support the operations of the Working Group, including secretariat services, issue identification and donor coordination and partnership activities.

⁷Investments in the NIU made under TDF-1 have been complemented first by an IF Window II project and more recently by an EIF Tier-1 project. It is expected that core TDF-2 investments in the NIU will continue to be undertaken in partnership with the EIF.

⁸ The NIU currently includes four full-time government staff. According to the MoIC human resources plan, this is set to increase to thirteen by 2015.

106. Building stronger technical capacity on trade and private sector development policy within the NIU is a key objective of TDF-2, to support more effective implementation of activities not just financed under TDF-2, but more widely as part of a movement towards a program based approach. To this end, the project will finance technical assistance to support NIU's technical role, including but not limited to the following (i) full-time international trade advisor, to support technical implementation of activities, donor coordination and assistance to the operation of the Trade and Private Sector Development Working Group; full-time national private sector development advisor, to support technical implementation of activities, improved policy analysis and implementation; and (iii) national technical consultants as required.

107. Strong fiduciary standards maintained through the implementation of TDF-1, achieved through the efforts of the NIU, are one of the key justifications for scaling up resources in TDF-2. The NIU will retain centralized responsibility for all procurement and financial management for TDF-2. The project will finance continued technical assistance where necessary to ensure that NIU can carry out its core fiduciary functions effectively, including but not limited to the following: (i) part-time international financial management advisory services; (ii) part-time international procurement advisory services; and (iii) full-time national financial management and procurement consultants as required.

Resources, including consulting staff, will also be provided to support core communications, outreach, monitoring and evaluation activities to support implementation of the DTIS Action Matrix/Roadmap, including activities financed by TDF-2.

ANNEX II: SUMMARY OF TOR OF NIU TEAM

Senior Trade Analyst (two positions, one to be co-funded by Tier-2)

Objective of the assignment

The objective of this assignment is to provide the MoIC's NIU with technical and analytical support with respect to the implementation of the trade-related projects under the EIF process. This position is currently funded by EIF Tier-1 Phase 1 and the procurement of this position follows the government guideline. This position is expected to be taken over by the Phase 2 of the EIF Tier-1.

Scope of work

The Senior Trade Analyst's duties and responsibilities include, but are not limited to, the following:

- Oversee the implementation of the EIF Tier-1 and other TRTA projects under responsibility of the NIU
- Work closely with the Senior Trade Advisor and other related agencies in updating the DTIS and its Action matrix
- Oversee and assist where appropriate with the day-to-day management of projects through the relevant staff, such as the GSEU coordinators and NIU technical staff.
- Work on a day-to-day basis with implementing agencies based in various ministries and agencies, assist them in project identification, design and management of projects, and oversee M&E.
- Prepare in conjunction with relevant stakeholders project write up, budgets, terms of references, and reports.
- Manage and monitor the complete project cycle. (i) Coordinate preparation of annual work plans;(ii) Monitor and document the results of the project activities; (iii) Monitor and document the implementation of the project by utilizing viable indicators and lessons learned/good practices of project activities
- Coordinate secretarial support to the IF Task forces, TDF SC and Trade Private Sector Development Sub-Group (TPSDSG)
- Oversee the implementation of the Trade Development Facility (TDF) and work closely with the Trade Facilitation team and WB
- Assisting the NIU in preparation of reports for Steering Committees as appropriate
- Provide technical inputs as required
- Provide support to the international and national staff members;
- Liaise with relevant donors on issue related to the project or the NIU;
- Prepare reports as required
- Perform other tasks as requested by the department and NIU

Key qualifications

- Postgraduate qualification in international trade, development economics or any related field
- Minimum of 4 years of relevant experience with proven project management skills

- Good people management skills. Prior experience managing both national and international consultants will be an advantage;
- Prior work experience with international agencies or assistance project based in the government will be an asset;
- A general knowledge of trade-related issues, and a basic understanding of the IF process and institutions in Lao PDR would be an advantage
- General understanding of WTO accession, ASEAN, AFTA and GMS
- Excellent communication skills, including speaking and writing in both English and Lao languages
- Good interpersonal skills and results orientated
- Excellent analytical and presentation skills
- Computer literate (Microsoft Office)

Public Relations Officer (co-funded by Tier-1)

Objective of the assignment

The objective of this assignment is to provide the MoIC's NIU support to the services of Public Relation and Communication. This position is currently funded by EIF Tier-1 Phase 1 and the procurement of this position follows the government guideline. This position is expected to be taken over by the Phase 2 of the EIF Tier-1.

Scope of Work

The Public Relation Officer/Coordinator will be reporting to the Senior Trade Analyst. The Public Relation Officer/Coordinator will work closely with NIU team, GSEUs and other stakeholders. The Public Relation Officer/Coordinator' duties and responsibilities will include but will not be limited to:

- Planning, developing and implementing PR strategies;
- Liaising with colleagues and key spokespeople for collecting data and information;
- Liaising with and answering enquiries from media, individuals and other organizations, often via telephone and email;
- Researching, writing and distributing press releases to targeted media;
- Collating and analyzing media coverage;
- Writing and editing in-house magazines, case studies, speeches, articles and annual reports;
- Preparing and supervising the production of publicity brochures, handouts, direct mail leaflets, promotional videos, photographs, films and multimedia programs;
- Devising and coordinating photo opportunities;
- Maintaining and updating information on the organization's website;
- Work closely to develop a 6 month project implementation plan, highlighting activities to be undertaken, timeframe and indicators linked to the EIF Monitoring and Evaluation Framework

- Work closely with the various TA and all GSEUs

Key qualifications

- Minimum Bachelor's Degree in Public relations/ Economic/International Trade or related fields
- Minimum 3 years of experience working in the similar areas
- Prior work experience with international agencies will be an asset.
- Effective written/verbal communication skills (in Lao and English)
- Having experiences in writing media press releases or any kind of fact sheets is very encouraged
- Good interpersonal skills and result orientation
- Computer related literate (MS Office, Photoshop....).
- Having skill of basic web design and development will be an asset

Public Relation Assistant

Objective of the assignment

The objective of this assignment is to provide the NIU (MOIC) support to the services as Public Relation Assistant. This position will be jointly funded by the EIF Tier-1 Phase 2 and Tier-2 project.

Scope of Work

The Public Relation Assistant will be reporting to the Public Relation Officer, and the officer's primary focus will be to provide the public relation and communication support to the NIU. The Public Relation Assistant' duties and responsibilities will include but will not be limited to:

- Helping the Public Relation Officer on liaising with colleagues and key spokespeople for collecting data and information;
- Helping the Public Relation Officer on distributing press releases to targeted media;
- Helping on publishing the in-house magazines, case studies, speeches, articles and annual reports;
- Helping on Preparing the production of publicity brochures, handouts, direct mail leaflets, promotional videos, photographs, films and TV Production Programs;
- Devising and coordinating photo opportunities;
- Maintaining and updating information on the organization's website;
- Helping on Monitoring and maintaining IT system within NIU;
- Giving day to day IT Support for NIU office;
- Maintaining the NIU Calendar system; and
- Regularly maintaining and backup NIU Server.

Key qualifications

- Minimum Bachelor's Degree in Public relations/ Economic/International Trade or related fields.
- Minimum 1 years of experience working in the similar areas.
- Prior work experience with international agencies will be an asset.

- Effective written/verbal communication skills (in Lao and English).
- Having experiences in writing media press releases or any kind of fact sheets is very encouraged.
- Good interpersonal skills and result orientation.
- Computer related literate (Software, Hardware, Network system and basic web Development).
- Having skill of basic web design and development will be an asset.

Administrative Assistant (co-funded by Tier-2)

Objective of the assignment

The objective of this assignment is to provide overall administrative support to the MoIC's NIU. This position is currently funded by EIF Tier-1 Phase 1 and the procurement of this position follows the government guideline. This position is expected to be taken over by the Phase 2 of the EIF Tier-1.

Scope of work

The Project Administrator's duties and responsibilities include, but are not limited to, the following:

- Assist in preparation, logistical and budget planning for seminars, workshops, meetings and consultations, including preparation of relevant documentation;
- Assist visiting missions (arranging appointments, hotel accommodations and other travel);
- Coordinate, manage and monitor the Project implementation;
- Filling, copying and scanning documents;
- Control the project out-in documents including General Division document;
- Coordinate with relevant ministries and agencies; including Government Sub-Executing Unit (TDF – GSEUs) based in various ministries and agencies;
- Manage and control the petty cash account, the safe custody of petty cash and withdraw cash from the bank, including bank statement.
- Be responsible for office stationary, equipment and supplies in goods order;
- Arrange office vehicle registration and maintenance;
- Maintain and record office asset inventory, including GSEU's asset inventory;
- Take responsibility for organizing visa applications, meeting as well as other logistics needed;
- Summarize Project Weekly reports to the NIU Director and DPC Director General;
- Perform other tasks as requested by the department.

Key qualifications

- University degree (Bachelor or equivalent);
- At least 2 years of relevant work experience in an administrative capacity;
- Familiarity with government and foreign aid project operations;
- Proven knowledge of office procedures and office equipment;

- Effective written/verbal communication skills (in English);
- Good interpersonal skills and result orientation;
- Computer literate (MS Office, Excel).

Accountant Clerk (co-funded by Tier-2)

Objective of the assignment

The objective of this assignment is to provide overall accounting and administrative support to the MoIC's NIU. This position is currently funded by EIF Tier-1 Phase 1 and the procurement of this position follows the government guideline. This position is expected to be taken over by the Phase 2 of the EIF Tier-1.

Scope of Work

The Account Clerk will be reporting to the senior financial officer, and the officer's primary focus will be to provide support to the finance team. The Account Clerk's duties and responsibilities will include but will not be limited to:

- This position requires the applicant to give direct support to the finance unit.
- Assist the senior financial officer in manage cash advance, petty cash accounts and communicate with GSEU for the petty cash requirement and expense claims.
- Data entry of invoices and payment vouchers onto the accounting software for accounts payable processing.
- Account payable function such as processing, cheque runs weekly and monthly payment of consultants and suppliers.
- Assist the team in completing monthly reconciliation of supplier accounts, advances, petty cash and bank reconciliations.
- Maintains NIU's account journals, ledgers and trail balance.
- Assist the team in preparing withdrawal applications and supporting documents/reports for fund withdrawals
- Liaise with Ministry of Finance and Bank of Lao PDR for payment requests.
- Assist the National Finance Officer with the month end report and quarterly report and year end reports.
- Provide general office support to the finance unit

Key qualifications

Ideally, the clerk will have previous experience within a similar organization. He or she will have a can-do and proactive attitude. He or she should be pro-active, able to communicate with different stakeholders, have strong attention to details and ability to work under pressure. General qualifications required are (but not limited to):

- Diploma or Bachelor Degree in accounting , finance or similar areas,

- Minimum 2 years of working experience in similar area, and have knowledge of accounting and bookkeeping procedures,
- Good typing skills, Lao and English with high level of accuracy and attention to detail,
- Sound Office management, administrative and communication skills,
- Intermediate to advanced knowledge of Microsoft Office Package (Excel, Word, PowerPoint), and have experience in using accounting software Accpac and QuickBooks would be an advantage.
- Able to work as a team, with close cooperation with GSEUs, NIU team, Ministry of Finance, the World Bank and other parties involved,
- Familiar with National Treasury MOF payment procedures will be highly regards,
- Fluent in Lao and English (spoken and written),
- Reliable, independent and dynamic worker with high social competence and good team spirit,
- Good interpersonal skills and result orientated.

International Economist

Objective of the assignment

The objective of the assignment is to assist the MoIC's technical drafting team in developing the Trade and PSD section of the NSEDP VIII through review of the progress of the implementation of the NSEDP VII and formulate specific targets, scope and concrete measures for NSEDP VIII in areas of Trade and PSD.

Scope of Work

Working closely with national consultant and MoIC technical team, the consultant is required to carry out the following key tasks:

- Analyze the midterm review of the implementation of the NSEDP VII, and the findings in the 2012 DTIS Update, and ascertain their applicability in the current context of Lao PDR;
- Assess current situation and future growth potential of the key manufacturing and service sectors through review of existing research and studies on sector competitiveness and general investment climate;
- Assess existing legal and regulatory environment governing business entry, exit and operations;
- Review existing sector promotion strategy and plans, existing support measures and institutional arrangement;
- Propose concrete measures to support economic diversification and improve competitiveness of non-resource sectors; and
- Support organization of various consultation workshops.

Key qualifications

Qualifications & experience required:

- Minimum of a Master Degree in Economics or related field;
- Minimum 10 years of work experience in research and economic policy advice in Lao PDR/region and other developing transition economy;
- Have a good knowledge on trade and PSD issues related to Lao PDR/developing countries in Asia;
- Good interpersonal skills and effective communication;
- Excellent in English report writing and communication skills; and
- Knowledge of gender awareness and sensitivity.

Competencies:

- Excellent Analytical Skills;
- Excellent communication skills (written, verbal, and interpersonal);
- Results orientation;
- Ability to manage and work well in multi-disciplinary and multi-cultural teams; and
- Ability to work in an organized and systematic manner.

National Economist

Objective of the assignment

The objective of the assignment is to assist the MoIC's technical drafting team in developing the Trade and PSD section of the NSEDP VIII through review of the progress of the implementation of the NSEDP VII and formulate specific targets, scope and concrete measures for NSEDP VIII in areas of Trade and PSD.

Scope of Work

Working closely with the international consultant and MoIC technical team, the consultant is required to carry out the following key tasks:

- Provide technical support to the MoIC technical team;
- Lead preparation for stakeholders consultation process;
- Lead coordination with key stakeholders at both provincial and central level;
- Translate and summarize key findings of relevant research and studies from English to Lao and vice versa;
- Analyze the midterm review of the implementation of the NSEDP VII, and the findings in the 2012 DTIS Update, and ascertain their applicability in the current context of Lao PDR;
- Assess current situation and future growth potential of the key manufacturing and service sectors through review of existing research and studies on sector competitiveness and general investment climate;
- Assess existing legal and regulatory environment governing business entry, exit and operations;
- Review existing sector promotion strategy and plans, existing support measures and institutional arrangement;
- Propose concrete measures to support economic diversification and improve competitiveness of non-resource sectors; and
- Support organization of various consultation workshops.

Key qualifications

Qualifications & experience required:

- Minimum of a Master Degree in Economics or related field;
- Minimum 8 years of work experience in research and economic policy advice in Lao PDR. Regional experience is preferred;
- Have a good knowledge on trade and PSD issues related to Lao PDR/developing countries in Asia;
- Good interpersonal skills and effective communication;
- Excellent in English and Lao report writing and communication skills; and
- Knowledge of gender awareness and sensitivity.

Competencies:

- Excellent Analytical Skills;
- Excellent communication skills (written, verbal, and interpersonal);
- Results orientation;
- Ability to manage and work well in multi-disciplinary and multi-cultural teams; and
- Ability to work in an organized and systematic manner.

Driver

Objective of the assignment

The objective of this assignment is to provide the MoIC's NIU with a logistic resource to implement its activities. The Driver will work alongside the NIU team and other related staff. The Driver is responsible for the car maintenance and clerical responsibilities executed in coordination with the Director of NIU, and NIU Financial and Administrative team. This position is currently funded by EIF Tier-1 Phase 1 and the procurement of this position follows the government guideline. This position is expected to be taken over by the Phase 2 of the EIF Tier-1.

Specific tasks and responsibilities

Car maintenance:

- Ensure that the assigned vehicle is clean and road worthy;
- Check vehicle condition/requirement and fill the Log Book properly;
- Ensure proper maintenance and servicing of the assigning vehicle is taken place on day-to-day and report on supervisors on time;
- Meet project visitors at the airport and make the arrangements for the accommodation services;
- Drive office vehicle for transportation of authorized personnel and delivery/collection of cargo, pouch and other items;
- Make field trips in/or out out-side the Vientiane Capital;
- Responsible for the day-to-day maintenance of the assigned vehicle, perform minor repairs and arrange for other related repairs;

- Ensure that the steps required by rules and regulations are taken in case of involvement in accident;
- Perform all other related duties.

Clerical responsibility:

- Support and assist the Administrative, Finance and Procurement team in performing registry-related duties, such as photocopying, and providing messenger services.
- Make distribution of the project correspondence/material appropriate persons, mails and project documents.
- Perform all other clerical related duties, upon request.

International Procurement Specialist (co-funded by TDF)

The ToR for this position is available in the original EIF Tier-1 project proposal.

International Financial Specialist (co-funded by TDF)

The ToR for this position is available in the original EIF Tier-1 project proposal.

Country:	Lao PDR
Project Title:	EIF Tier-1, Phase 2
Starting Date:	Jan-14
Total Project Budget US Dollars:	743,218.72

EIF Funding Sought

Account	Category	Year 1	Year 2	Total
71200	International experts	40,800	55,800	96,600
71300	Supporting Staff	20,040	20,040	40,080
71400	National experts	98,000	63,000	161,000
72200	Equipment	10,000	10,000	20,000
74100	Professional services	65,000	5,000	70,000
74200	Communication	30,000	30,000	60,000
74500	Sundries	6,159	6,159	12,319
71600	Travel & Mission	12,000	12,000	24,000
75700	Training & Workshops	64,000	52,000	116,000
Total Funding Sought from EIF		345,999	253,999	599,999

Government Contribution

Category	Year 1	Year 2	Total
Staff Costs	15,610	15,610	31,220
Travel Costs	20,000	20,000	40,000
Facility Costs	36,000	36,000	72,000
Total Government Contribution	71,610	71,610	143,220

Total Project Budget (incl. EIF Funding and Government Contribution) in US Dollar	743,219
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Country: **Lao PDR**
Project Title: **EIF Tier-1, Phase 2**
Starting Date: **Jan-14**
Total Project Budget in USD **743,218.72**
EIF Funding Sought in USD **599,998.72**

							Year 1 (USD)		Year 2 (USD)		Total	
Outcome	Account Code	Category	Account Description	Unit	Units	Unit Cost	Units	Total	Units	Total	(USD)	
2	74200	Communication	Office communication expenses, dissemination and outreach materials and activities	Lump sum	2	30,000	1	30,000	1	30,000	\$ 60,000	
3	72200	Equipment	Office equipment	Lump sum	2	10,000	1	10,000	1	10,000	\$ 20,000	
2	71200	International Experts	Senior Economist	Day	60	850	30	25,500	30	25,500	\$ 51,000	
3	71200	International Experts	Finance specialist, part time	Day	68	450	34	15,300	34	15,300	\$ 30,600	
3	71200	International Experts	Evaluator/Specialist for final project evaluation	Lump sum	1	15,000	0	-	1	15,000	\$ 15,000	
4	71200	International Experts	Development of Tier-2 Proposal								\$ -	
2	71400	National Experts	Economist	Month	10	3,500	10	35,000	0	-	\$ 35,000	
2	71400	National Experts	Program Officer (Senior Trade analyst), based in NIU*	Month	12	2,500	6	15,000	6	15,000	\$ 30,000	
2	71400	National Experts	Public Relations officer, based in NIU*	Month	12	2,000	6	12,000	6	12,000	24000	
3	71400	National Experts	Program Officer (Senior Trade analyst), based in NIU	Month	24	2,500	12	30,000	12	30,000	\$ 60,000	
3	71400	National Experts	Accountant Clerk, based in NIU*	Month	12	1,000	6	6,000	6	6,000	\$ 12,000	
1	74100	Professional Services	Capacity needs assessment and skill development plan	Lump sum	1	60,000	1	60,000	0	-	\$ 60,000	
3	74100	Professional Services	Auditing service	Year	2	5,000	1	5,000	1	5,000	\$ 10,000	
3	74500	Sundries	Miscellaneous Expenses for the administration and operations of PH	Month	24	513	12	6,159	12	6,159	\$ 12,319	
2	71300	Support staff	Public Relations assistant, based in NIU	Month	24	770	12	9,240	12	9,240	\$ 18,480	
3	71300	Support staff	Program Assistant, based in NIU*	Month	12	1,000	6	6,000	6	6,000	\$ 12,000	
3	71300	Support staff	Driver, based in NIU	Month	24	400	12	4,800	12	4,800	\$ 9,600	
1	71600	Travel & Mission	Travels for missions and trainings	Trip	4	6,000	2	12,000	2	12,000	\$ 24,000	
1	75700	Training and workshops	Trainings and workshops for MoIC and other IAs' staffs	Training	4	20,000	2	40,000	2	40,000	\$ 80,000	
2	75700	Training and workshops	Organization of provincial workshops	Lump sum	3	12,000	2	24,000	1	12,000	\$ 36,000	
	Subtotal:							345,999		253,999		599,999
	Grand Total:											599,999

* To be co-financed with EIF Tier-2 project.

** No budget for project formulation. However, part of the National Experts' outputs, which budgeted under Outcome 2 and 3, is the preliminary concept notes that can be used as the reference documents for Tier-2 formulation. Separate budget for International Export to develop Tier-2 proposal shall be requested at the later state with the EIF Board.

*** Please note that the above rate for consultants are inline with the UN salary scale for Profesional category for National and International Expert, and the General service category for Support staff

Country:
Project Title:
Starting Date:
Total Project Budget in USD
EIF Funding Sought in USD

						Year 1 (USD)	Year 2 (USD)		Total	
Account Code	Category	Account Description	Unit	Units	Unit Cost	Units	Total	Units	Total	(USD)
Outcome 1: Sufficient institutional and management capacity built in Lao PDR to formulate and implement trade related strategies and implementation plans										164,000
74100	Professional Services	Capacity needs assessment and skill development plan	Lump sum	1	60,000	1	60,000	-	-	60,000
71600	Travel & Mission	Travels for missions and trainings	Trip	4	6,000	2	12,000	2	12,000	24,000
75700	Training and workshops	Trainings and workshops for MoIC and other IAs' staffs	Training	4	20,000	2	40,000	2	40,000	80,000
Outcome 2: Mainstreamed trade into the national development strategies and plans										254,480
71400	National Experts	Economist	Month	10	3,500	10	35,000	-	-	35,000
71200	International Experts	Senior Economist	Day	60	850	30	25,500	30	25,500	51,000
75700	Training and workshops	Organization of provincial workshops	Lump sum	3	12,000	2	24,000	1	12,000	36,000
71400	National Experts	Program Officer (Senior Trade analyst), based in NIU*	Month	12	2,500	6	15,000	6	15,000	30,000
71400	National Experts	Public Relations officer, based in NIU*	Month	12	2,000	6	12,000	6	12,000	24,000
71300	Support staff	Public Relations assistant, based in NIU	Month	24	770	12	9,240	12	9,240	18,480
74200	Communication	Office communication expenses, dissemination and outreach materials and activities	Lump sum	2	30,000	1	30,000	1	30,000	60,000
Outcome 3: Coordinated delivery of trade related resources by donors and IAs to implement DTIS Trade & PSD priorities										181,519
71200	International Experts	Finance specialist (Operations), part time	Day	68	450	34	15,300	34	15,300	30,600
71200	International Experts	Evaluator/Specialist for final project evaluation	Lump sum	1	15,000	-	-	1	15,000	15,000
71400	National Experts	Program Officer (Senior Trade analyst), based in NIU	Month	24	2,500	12	30,000	12	30,000	60,000
71400	National Experts	Accountant Clerk, based in NIU*	Month	12	1,000	6	6,000	6	6,000	12,000
71300	Support staff	Program Assistant, based in NIU*	Month	12	1,000	6	6,000	6	6,000	12,000
71300	Support staff	Driver, based in NIU	Month	24	400	12	4,800	12	4,800	9,600
72200	Equipment	Office equipment	Lump sum	2	10,000	1	10,000	1	10,000	20,000
74100	Professional Services	Auditing service	Year	2	5,000	1	5,000	1	5,000	10,000
74500	Sundries****	Miscellaneous Expenses for the administration and operations of Phase 2	Month	24	513	12	6,159.36	12	6,159	12,319
Outcome 4: Secured Resources in support of initiatives that address DTIS Trade & PSD priorities**										-
71200	International Experts	Development of Tier-2 Proposal					0		0	
							345,999	253,999	599,999	
Grand Total:										599,999

* To be co-financed with EIF Tier-2 project.

** No budget for project formulation. However, part of the National Experts' outputs, which budgeted under Outcome 2 and 3, is the preliminary concept notes that can be used as the reference documents for Tier-2 formulation. Separate budget for International Export to develop Tier-2 proposal shall be requested at the later state with the EIF Board.

*** Please note that the above rate for consultants are inline with the UN salary scale for Profesional category for National and International Expert, and the General service category for Support staff

**** There is a rounding difference in the total sum. The individual amounts for Y1 and Y2 are USD 6,159,36 and the total sum for both years is USD 12,318.72

Country: **Lao PDR**
Project Title: **EIF Tier-1, Phase 2**
Starting Date: **Jan-14**
Total Project Budget in USD **743,218.72**
Government Contribution in USD **143,220.00**

Summary Table (for detailed calculations see table below)

Budget Item	Description				Year 1		Year 2		Total
		Unit	Units	Unit Cost	Units	Total	Units	Total	
Staff Costs	Oversight and implementation of the AfT program incl. attendance of AfT conferences	Years	2	15,610	1	15,610	1	15,610	31,220
Travel Costs	Travel costs of Government staff associated with EIF Tier-1 (paid from Government budget)	Lump sum	4	10,000	2	20,000	2	20,000	40,000
Facility Costs	Government facility provided	Months	24	3,000	12	36,000	12	36,000	72,000
Grand Total (in USD)									143,220

Detailed Calculations							Total Costs
Staff Costs*	No. of Incumbants	Unit Costs (monthly)	Tot. Input in Months (Y1+Y2)	(Year 1)**	(Year 2)**		31,220
IF Focal Point	1	800	6	3	3		4,800
Director General, DPC	1	450	8	4	4		3,600
Deputy Director General, DPC (Director NIU)	1	350	10	5	5		3,500
Director of FAD, DPC (Deputy Director NIU)	1	300	10	5	5		3,000
Deputy Director of FAD, DPC	1	270	16	8	8		4,320
Government Staff, FAD, DPC	3	250	16	8	8		12,000
Travel Costs***		Average Unit Costs	Number of Trips	(Year 1)	(Year 2)		40,000
IF Focal Point		10,000	4	2	2		40,000
Facility Fees****		Common Facility Fee*****	Number of Months	(Year 1)	(Year 2)		72,000
NIU Facility		3,000	24	12	12		72,000
Total Government Contribution (in USD)							143,220

* The Government staff costs have been calculated based on average staff salaries (excl. benefits, entitlements, etc.), average time spent on EIF-related activities (months per year). The staff costs are estimates based on past experience.

** Input in months per year. Time estimates are based on past experience and future projections.

*** The travel costs for the IF Focal Point are estimated based on past experience, incl. the average unit costs and number of trips. Since this is a forecast, actual travel may deviate from estimates provided in this table.

**** Valuations for the facilities and office space are based on current market price estimations.

***** This includes rental costs according to space provided, and estimations for utility costs such as phone line, electricity, water, security services. It also included basic office equipment.