



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ

ກະຊວງອຸດສາຫະກຳ ແລະ ການຄ້າ
ກົມການນຳເຂົ້າ ແລະ ສິ່ງອອກ

5248
ເລກທີ /ກຂອ.ພອຄ

ນະຄອນຫຼວງວຽງຈັນ, ວັນທີ 24 ຕຸລາ 2019

- ຮຽນ: - ທ່ານ ລັດຖະມົນຕີ ກະຊວງອຸດສາຫະກຳ ແລະ ການຄ້າ (ປະທານຄະນະກຳມະການຊີ້ນຳແຜນງານໂຄງການຊ່ວຍເຫຼືອລ້າຫຼາຍຝ່າຍເພື່ອຜັດທະນາການຄ້າ PEC).
- ທ່ານ ຮອງລັດຖະມົນຕີ ກະຊວງອຸດສາຫະກຳ ແລະ ການຄ້າ.
 - ໂດຍຜ່ານ ທ່ານ ຫົວໜ້າ ກົມແຜນການ ແລະ ການຮ່ວມມື.

ເລື່ອງ: ຂໍອະນຸມັດນຳໃຊ້ທຶນສະໜັບສະໜູນໂຄງການຍ່ອຍ (Challenge Facility) ຂອງ LCT ເພື່ອຈັດຕັ້ງປະຕິບັດໂຄງການທີ່ສະເໜີໂດຍ ກົມການນຳເຂົ້າ ແລະ ສິ່ງອອກ, ກະຊວງອຸດສາຫະກຳ ແລະ ການຄ້າ.

- ອີງຕາມ ຂໍ້ຕົກລົງ ວ່າດ້ວຍການແຕ່ງຕັ້ງຄະນະຄຸ້ມຄອງ ແລະ ຈັດຕັ້ງປະຕິບັດໂຄງການສິ່ງເສີມຄວາມສາມາດໃນການແຂ່ງຂັນ ແລະ ການຄ້າ ຂອງ ສປປ ລາວ ສະບັບເລກທີ 0358/ອຄ.ກຜຮ, ລົງວັນທີ 26 ມີນາ 2018;
- ອີງຕາມ ຂໍ້ຕົກລົງ ວ່າດ້ວຍການຄຸ້ມຄອງ ແລະ ນຳໃຊ້ການຊ່ວຍເຫຼືອທາງການ ເພື່ອຜັດທະນາໃນຂະແໜງອຸດສາຫະກຳ ແລະ ການຄ້າ ແລະ ພາກເອກະຊົນ (ODA) ສະບັບເລກທີ 1998/ອຄ.ກຜຮ, ລົງວັນທີ 31 ຕຸລາ 2016;
- ອີງຕາມສັນຍາໂຄງການສິ່ງເສີມຄວາມສາມາດໃນການແຂ່ງຂັນ ແລະ ການຄ້າ ຂອງ ສປປ ລາວ ສະບັບເລກທີ 6318-LA, ລົງວັນທີ 31 ຕຸລາ 2018;
- ອີງຕາມການຄົ້ນຄວ້າເຫັນດີຂອງ ກົມການນຳເຂົ້າ ແລະ ສິ່ງອອກ ຮ່ວມກັບຜູ້ໃຫ້ທຶນ.

ກົມການນຳເຂົ້າ ແລະ ສິ່ງອອກ ໃນນາມເປັນຜູ້ຈັດຕັ້ງປະຕິບັດ ເສົາຄຳທີ B1 ແລະ B2 ຂອງໂຄງການສິ່ງເສີມຄວາມສາມາດໃນການແຂ່ງຂັນ ແລະ ການຄ້າ ຂໍຖືເປັນກຽດຮຽນມາຍັງ ທ່ານ ເພື່ອພິຈາລະນາອະນຸມັດທຶນສະໜັບສະໜູນໂຄງການຍ່ອຍ (Challenge Facility-CF) ຈຳນວນ 01 ໂຄງການ ຂອງ ກົມການນຳເຂົ້າ ແລະ ສິ່ງອອກ ຊຶ່ງຜ່ານການປຶກສາຫາລືຮ່ວມກັນ ແລະ ໄດ້ຮັບການເຫັນດີຈາກບັນດາຜູ້ໃຫ້ທຶນ ເຊິ່ງລາຍລະອຽດມີດັ່ງນີ້:

ຊື່ໂຄງການ: Technical support in reducing trade regulatory control and enhanced monitoring of TFA Measures

ເປົ້າໝາຍຂອງໂຄງການ: ມີ 03 ເປົ້າໝາຍຫຼັກ ຄື: 1) ປະຕິຮູບມາດຕະການທາງດ້ານການຄ້າທີ່ບໍ່ແມ່ນພາສີ; 2) ປັບປຸງລະບົບການເກັບກຳສະຖິຕິແບບ ທີ່ນຳໃຊ້ໃນປະຈຸບັນ ໃຫ້ເຊື່ອມຕໍ່ກັບລະບົບ ASYCUDA ຂອງພາສີ ໃຫ້ໄດ້ຂໍ້ມູນທີ່ຖືກຕ້ອງ ແລະ ສອດຄ່ອງກັນ ໃນການລາຍງານ ເປັນລະບົບ ຫຼື ເອີ້ນວ່າ (ESTAT); 3) ປັບປຸງກົນໄກການປະສານງານຂອງຄະນະກຳມະການອຳນວຍຄວາມສະດວກທາງດ້ານການຄ້າຢູ່ຂັ້ນສູນກາງ ແລະ ຂັ້ນແຂວງ ໃນການຈັດຕັ້ງປະຕິບັດບັນດາມາດຕະການ ທີ່ນ່ອນໃນສັນຍາອຳນວຍຄວາມສະດວກທາງດ້ານການຄ້າ.

ກິດຈະກຳຫຼັກຂອງໂຄງການ:

1. ປະຕິຮູບມາດຕະການທາງດ້ານການຄ້າທີ່ບໍ່ແມ່ນພາສີ ແນ່ໃສ່ການຕັດຂັ້ນຂອດການອອກອະນຸຍາດນຳເຂົ້າ-ສົ່ງອອກ ແບບອັດຕະໂນມັດ, ບໍ່ອັດຕະໂນມັດ ແລະ ລາຍການສິນຄ້າເກືອດຫ້າມ ພ້ອມທັງ ນຳສະເໜີປັບປຸງບັນດາລະບຽບການທີ່ຕິດພັນກັບການນຳເຂົ້າ-ສົ່ງອອກ, ການຜ່ານແດນ ແລະ ການນຳເຂົ້າເພື່ອສົ່ງອອກຕໍ່ສິນຄ້າ;
2. ຈັດຈ້າງຊ່ຽວຊານຕ່າງປະເທດ ເພື່ອສ້າງກົນໄກຮອງຮັບການປະຕິຮູບບັນດາມາດຕະການທາງດ້ານການຄ້າທີ່ບໍ່ແມ່ນພາສີທີ່ຍັງຄົງຄ້າງຂອງຂະແໜງອຸດສາຫະກຳ ແລະ ການຄ້າ;
3. ຈັດຈ້າງຊ່ຽວຊານຕ່າງປະເທດ ເພື່ອທົບທວນ ແລະ ປັບປຸງ ລະບົບການເກັບກຳຂໍ້ມູນທີ່ນຳໃຊ້ໃນປະຈຸບັນ ຫັນມາເປັນລະບົບແບບເອເລັກໂຕຣນິກ (ESTAT) ເຊື່ອມຕໍ່ກັບລະບົບ ASYCUDA ຂອງກົມພາສີ ເພື່ອສາມາດເກັບກຳຂໍ້ມູນໃຫ້ຖືກຕ້ອງ ແລະ ຄົບຖ້ວນ ພ້ອມທັງເປັນສູນກາງໃນການລາຍງານ ໃຫ້ລັດຖະບານ ກໍ່ຄືອົງການຈັດຕັ້ງຕ່າງໆ ແລະ ພາກເອກະຊົນ;
4. ຈັດກອງປະຊຸມປຶກສາຫາລື ລະຫວ່າງ ຄະນະກຳມະການອຳນວຍຄວາມສະດວກທາງດ້ານການຄ້າຂັ້ນສູນກາງ ແລະ ຂັ້ນແຂວງ ເພື່ອທົບທວນການຈັດຕັ້ງປະຕິບັດບັນດາມາດຕະການທີ່ນອນໃນສັນຍາອຳນວຍຄວາມສະດວກທາງດ້ານການຄ້າ ແລະ ແກ້ໄຂບັນຫາຂອງພາກທຸລະກິດໃຫ້ທັນກັບເວລາ;
5. ສ້າງກົນໄກການລາຍງານຄວາມຄືບໜ້າຂອງການຈັດຕັ້ງປະຕິບັດວຽກງານ ອຄ ຂັ້ນແຂວງ ໃຫ້ຂັ້ນສູນກາງ ໄດ້ໃນທຸກໄຕມາດ ໂດຍສະເພາະແຂວງທີ່ໄດ້ບຸລິມະສິດ ເພື່ອເນັ້ນໜັກໃສ່ການແກ້ໄຂບັນຫາພາກທຸລະກິດ ໃນການປັບປຸງວຽກງານການນຳເຂົ້າ, ສົ່ງອອກ ແລະ ຜ່ານແດນ ຢ່າງເປັນປົກກະຕິ.

ພາກສ່ວນຈັດຕັ້ງປະຕິບັດ: ກົມການນຳເຂົ້າ ແລະ ສົ່ງອອກ, ກະຊວງອຸດສາຫະກຳ ແລະ ການຄ້າ.

ໄລຍະເວລາ: 01 ທັນວາ 2019- 31 ພະຈິກ 2021.

ງົບປະມານ: 311,377 ໂດລາສະຫາລັດ.

ດັ່ງນັ້ນ, ຈຶ່ງຮຽນລາຍງານມາຍັງ ທ່ານ ເພື່ອໃຫ້ທິດຊີ້ນຳ ແລະ ອະນຸມັດ ຕາມທາງຄວນດ້ວຍ.

ອະນຸມັດ:

ລັດຖະມົນຕີ ກະຊວງ ອຄ



ນ.ເຂັມມະນີ ພິນເສນາ

ຍັງຍືນ:

ຮອງລັດຖະມົນຕີ (ຜູ້ຊີ້ນຳ ກຜຮ), ກະຊວງ ອຄ

ຫົວໜ້າກົມ,



ສຸລິຍິນ ພິລາວົງ

ສ. ສິມຈິດ

ສິມຈິດ ອິນທະພິດ

ຄຳເຫັນ

ຫົວໜ້າ ກົມແຜນການ ແລະ ການຮ່ວມມື, ກະຊວງ ອຄ



ພຸງງ ພິງສາ

ພຸງງ ພິງສາ

DIMEX Proposal for Challenge Facility Funding

Section 1: Summary Page	
<i>Project title:</i>	Technical support in reducing trade regulatory control and enhanced monitoring of Trade Facilitation Agreement Measures
<i>Implementing agency:</i>	Department of Import and Export (Ministry of Industry and Commerce), Government of Lao PDR
<i>Beneficiary:</i>	Department of Import and Export (DIMEX), Ministry of Industry and Commerce, Government of Lao PDR
<i>Location:</i>	Vientiane
<i>Project duration:</i>	Two Years (1 st December 2019 - 31 November 2021)
<i>End of project:</i>	31 November 2021
<i>Total project cost:</i>	\$311,377
<i>Funding Sought:</i>	\$311,377
<i>Other sources of funding:</i>	None
Section 2: Project Description	
<i>2.1 What are the program objectives</i>	To reduce trade regulatory controls in the Ministry of Industry and Commerce by removing and/or streamlining existing Non-Tariff Measures (NTMs), improving collection of international trade statistics, and monitoring implementation of TFA measures at the provincial level.

2.2 What are the specific issues to be addressed within those main objectives

Lao PDR still has huge challenges in making use of regional market opportunities (including by using the rail link to China under construction) and in translating existing transport infrastructure for its trade benefits. These challenges are the inefficient administration of trade regulatory controls and border clearance. Some progresses were only made for steel bars, cements and issuance of the certificate of origins. MOIC's actions to remove NTMs and streamline NTMs procedures were moderate due to non-feasible technical and operational issues and partially because of strong resistance to changes from individual actors. Lao PDR's Non-Tariff Measures (NTMs) for several commodities remain largely unreformed and streamlined. In effect, transaction time and costs for obtaining import and export permits, registration and certification are high. For instance, import and export documentation costs (both formal and informal) account for 14.3 percent of total logistics costs¹ on trade route between Bangkok (Thailand) and Vientiane.

Further, in the last Doing Business report, the documentary compliance time in Lao PDR, which improved significantly, still accounted for about 74% of the overall clearance time for imports and exports. It suggests that greater emphasis needs be laid on revising the procedures of documentary compliance through removal of unnecessary NTMs and/or by streamlining the remaining ones as has been envisaged under the Lao PDR's Trade Facilitation Road Map.

MOIC's trade facilitation reforms championed by DIMEX need to go deeper in making needed operational and technical changes that will lower transaction time and costs in documentary compliance. Significant support will be provided for DIMEX and related sectoral departments to review, rationalize and remove NTMs. Several specific NTMs (see Annex 1) were identified as high priority for rationalization, streamlining and removals. There are two groups of NTMs. The first group is the NTMs that are sensitive and associated with issues of national security, public security, public safety and environmental impact. The second group is the NTMs that are currently justified by the needs of regulatory authorities to collect statistics.

Line departments should regularly be measuring the time taken on documentary compliance so that impact of NTM removal and

¹ Estimates based on surveyed data in Logistics Costs in Lao People's Democratic Republic by JETRO (2017). Total logistics costs were estimated at about US\$1,500-1,600.

streamlining could be studied for making further improvement. In this context, the departments would be advised to develop their Service Charters on the lines of DIMEX, setting high standards of service delivery to their clients. The Service Charter should also be supported by a robust grievance redressal mechanism (GRM) for the complaints of delays etc. received from trade for taking corrective action. Quarterly report on progress made on reducing time taken on documentary compliance and GRM action may be shared with the NTFC to reflect the efficacy of these measures.

International trade statistics collection, processing and dissemination in Lao PDR remain very weak, delayed and unreliable. Using Customs transactional trade data remains limited for national accounts, administrative reporting and sectoral issue analysis due to limitation of access to such data in a more professional way. Some regulatory authorities have in turn used administrative procedures to collect necessary import and export data through issuance of permits, certificates and licenses. In some cases, statistical collection is used as a proxy for exercising quota and regulatory control over supply and demand of certain commodities.

The current ESTAT system, owned and operated by DIMEX, is used for processing Customs transactional data by tabulating the data into reporting formats required to report to DIMEX Ministry of Industry and Commerce and shared with the public. However, the system does not have functionality that will enable DIMEX to maintain a reliable and timely database on external trade statistics (time-series data by weekly, monthly, quarterly and annually). It is imperative that DIMEX improves its statistical collection, processing and dissemination to serve its clients better.

In addition, strong coordination among regulatory control agencies and border agencies should be promoted at both central level and provincial level. Over the past years, cooperation among members of the National Trade Facilitation Committee (NTFC) has improved with regular hosting of ministerial meetings chaired by Ministers and Deputy Prime Ministers. Some important issues were resolved at the central level in terms of policy and legislation. However, implementation of policy and legislations at provincial level remains largely disconnected with the high level policy and legislative framework. With recent establishment of the Provincial Trade Facilitation Committee (PTFC), Provincial Industry and Commerce Department will play an important role in coordinating with sectoral departments in the province and monitoring TFA implementation issues and challenges at the

	<p>provincial level for review, analysis and resolutions. While minor issues may be resolved by the PTFC, issues and challenges with greater national implication are to be reported and communicated to NTFC for review, analysis and resolution. With this mechanism, communications and reporting between NTFC and PTFC will be strengthened to address wide range of TF issues.</p>
<p>2.3 What activities exactly is the Challenge Facility being asked to fund?</p>	<p>Based on above issues, LCTP's TFA CF resources would need to focus on three components:</p> <p>Component 1. Non-Tariff Measure (NTMs) Reform</p> <p>This component aims to remove statistical NTMs & associated fees, compliance and time costs (see Annex-1 for NTMs to be rationalized, streamlined and removed). Implementation of this component will focus on the following activities:</p> <p>1.1 Reform Cluster 1-NTMs for Non-Automatic Licensing and Permit: While rationalization and removals of the NTMs are more challenging authorities still need to ensure regulatory compliance and mitigate adverse risks associated with imports of these products. It will be sensible that DIMEX and sectoral departments review regulatory procedures of these NTMs, identify gaps and remove bottlenecks that will help reduce administrative burdens imposed on the authorities and processing time and costs faced by traders. Priority NTMs for review and streamlining include:</p> <ol style="list-style-type: none"> 1. Royalty payment and permit for exports of copper and copper products (cathode) & other mineral exports. 2. Commodities and products under non-automatic licensing and permit². 3. Commodities and products subject to controls to protect morals and to classify films and written materials, including signage, magazines and books. <p>1.2 Reform Cluster 2-NTMs for Automatic Licensing and Permits/Statistical Collection: DIMEX and sectoral departments need to review and take tougher actions to remove them by publishing timely and reliable statistics to satisfy sectoral agencies' statistical need. In any case, DIMEX and sectoral departments need to exercise their due diligence in reviewing regulatory procedures and identify gaps to streamline in</p>

² MOIC Notification # 0076 dated 13 January 2012 and MOIC Notification # 0826 dated 03 May 2011.

approving processes of permit, registration and certification. Priority NTMs for review, rationalization and removals include:

4. Import licenses for road vehicles
5. Import certification for auto parts
6. Import licenses for fuel and gas
7. Commodities and products currently subject to automatic licenses where data is collected for Statistical reasons only

Using NTMs as administrative procedures to collect statistics and exercise anti-competitive control on commodities and products becomes redundant with the computerization of export and import processing, whereby Customs can provide reliable and up-to-date statistics on external trade on real-time basis. Statistical collection and quality by MOIC in using NTMs as means of surrendering traders to supply the data was very poor in comparison with Customs' transactional data in both dollar value and volume. Recent experience with the removal of license for steel and cement NTMs was good example to follow. Time delays of 10-12 days to process a license for steel and cements were just eliminated when licensing requirements for these products were removed.

In reviewing NTMs, DIMEX and sectoral agencies will use Customs transactional data to analyse trade patterns of each NTM by looking at efficiency and effectiveness of regulatory control and border compliance. Access to Customs transactional data will be relying on the success of Component 2 below.

Component 2. Improvement of international trade statistics collection, processing and dissemination

This component aims to improve collection, processing and dissemination of international trade statistics by DIMEX. Implementation of this component will involve two main activities:

2.1 Conducting a rapid gap assessment of DIMEX's collection, processing and dissemination of international trade statistics.

Through the assessment, DIMEX will make decisions on different options to enhance its current ESTAT and/or replace it with a more modernized processing software and platform. The new solution should provide necessary means and facility for DIMEX to maintain a timely and reliable database of international trade statistics, satisfactory to BOL, LSB and other stakeholders including the public.

	<p>2.2 Implementation of improved methodology in collection, processing and dissemination of international trade statistics. Through this activity, a new processing facility/software will be installed and used by DIMEX. For this activity to be successfully implemented, a set of young economists should be assigned and trained to perform data collection from Customs and other agencies (in the case of electricity imports and exports), processing and dissemination. The team should be equipped with knowledge of international trade statistics, processing skills and techniques of dissemination (including establishment of client service standards on statistical services).</p> <p>Component 3. Improvement of central and provincial coordination and monitoring TFA implementation in provinces</p> <p>The National Trade Facilitation Committee (NTFC) set up to lead the trade facilitation reforms monitors implementation of TFA through the respective line departments which are its members. However, the monitoring in provinces is left to the provincial TFCs headed by Vice-Governors, which have no budgetary provision. Therefore, to strengthen monitoring of TFA implementation, TFCs in provinces will be supported to enable them to take following measures:</p> <ol style="list-style-type: none"> 8. To prepare and monitor province level action plan for implementing TFA measures; 9. To organize requisite trainings workshops for line departments in the province for implementing TFA measures; and, 10. To investigate issues locally as a preliminary step for referring to the National Committee on Trade Facilitation at the central level. <p>This support is sought for seven major provinces for two years. Additional provinces may be selected, if they require emergent support for implementing any Category C measure.</p> <p><u>Gender:</u> This Proposal, Components and Activities have been viewed through a Gender lens and are believed to be gender neutral. Data collection disaggregated on gender basis, however is proposed for all workshops and PTFC meetings, to allow better understanding of gender participation in the Lao trading & governmental sectors.</p>
<p>2.4 What results can be expected and how to they</p>	<p>Specific Outputs:</p>

relate to the objectives in point 2.1 above?

List the specific outputs the project seeks to achieve, the expected outcomes to measure the achievement of project and expected impact produced by the project interventions

- (i) At least 20 NTMs reviewed, analysed with trade pattern and possible risks of regulatory non-compliance based on Customs transactional data for removal, rationalization or streamlining.
- (ii) At least 5 NTMs with non-automatic licensing/certification requirements rationalized and streamlined.
- (iii) At least 15 NTMs with automatic licensing requirements rationalized and removed/streamlined.
- (iv) A gap assessment of DIMEX's international trade statistics services with improvement/replacement option conducted and presented for DIMEX's management decision.
- (v) A DIMEX team of international trade statistics services established and received technical training.
- (vi) A new/improved dataset software installed and operationalized to improve collection, processing and dissemination by DIMEX.
- (vii) Minutes of regular bi-annual meetings of the Provincial Trade Facilitation Committee chaired by Vice Governor circulated to resolve TF issues and closely monitor implementation progress of the TF Road Map in the province.
- (viii) Quarterly Trade Facilitation and NTM Issues reported to and highlighted by PTFCs, escalating the decisional requirement of intervention or resolution at the NTFC level.

Expected Outcomes & Impact

- (i) Number of days/hours taken to obtain import licenses and permit for automatic and non-automatic NTMs reduced by 50 percent by the end of the project.
- (ii) Percentage of automatic NTMs requiring licenses and permits reduced by 50 percent cumulatively by the end of the project.

	<ul style="list-style-type: none"> (iii) Time taken on issuing various approvals under key NTMs identified for action reduced by 50% (iv) Time-series International trade data published monthly, quarterly and yearly by DIMEX to share in the public. (v) Provincial issues of trade facilitation and NTMs resolved by NTFC through ministerial and PMO decisions.
<p><i>2.5 What is the Implementing Agency's role in the area to be addressed by the proposed project?</i></p>	<ul style="list-style-type: none"> (i) The implementation of the project activities proposed hereunder will be carried out by the Department of Import and Export (DIMEX) in consultation with the concerned line departments; including monitoring activities by the NTFC. (ii) DIMEX will be responsible for coordination of Project activities with other bodies, including the private sector and Provincial Trade Facilitation Committees. (iii) Provide training and technical support to targeted agencies both as part of the project rollout and on an on-going basis. (iv) Working with the NIU, identify a suitable vendor for the upgrade of the E-Stat system.
<p><i>2.6 Is the project part of a broader strategy?</i></p>	<ul style="list-style-type: none"> (i) Reduction in NTM numbers is consistent with the Prime Minister's target (Order No. 02/2018) of reducing the documentary compliance in case of imports and exports and improving the country's global ranking in the Doing Business indicators; as is the creation of more predictable trading rules, improved Private Sector access to data and faster clearance times of commodities. (ii) The project plays a crucial role in implementation of the Lao PDR's TF Road Map for 2017-22, which aims to improve the country's trade competitiveness. This in turn will contribute to increased trade and investment needed for a sustained and inclusive economic growth targeted under the 8th National Socio-Economic Development Plan. (iii) It also contributes to the Government strategy to improve documentary compliance for seamless integration with ASEAN economic community and the global economy

<p><i>2.7 Are there any efforts being undertaken by the Implementing Agency, other government agencies, domestic stakeholders, bilateral or multilateral development partners to address the issues identified in point 2.2 above? Are other sources of funding available?</i></p>	<ul style="list-style-type: none"> (i) Measures designated under Category A to C of the Trade Facilitation Agreement are to be implemented by 2022 under the TF Road Map. All concerned departments are trying to implement them to meet the country's obligations under the WTO Trade Facilitation Agreement. (ii) The only source of donor support dedicated for this specific purpose is through the World Bank's project on Lao PDR's Competitiveness and Trade. No other funding is available to the DIMEX for this purpose. (iii) Support of EU through International Trade Centre (ITC) is available for some trade facilitation activities, especially those covered under ATIGA. However, they are not covering any activity covered under this CF proposal. (iv) Similarly, support from Thailand extended through its Neighbouring Industrial Development Agency (NIDA) also does not cover any activity contained in the CF proposal.
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Section 3: Project risks / obstacles and risk mitigation measures

<p><i>3.1 Describe the risks and obstacles during project preparation and implementation. Explain mitigating measures.</i></p>	<p><u>The primary Risk to the Project</u> is the resistance to removing NTMs from DIMEX and the OICPs.</p> <p>Mitigations:</p> <ul style="list-style-type: none"> i. Circulation of 2018 NTM reviews, detailing the ineffectiveness and misuse of the current Statistical NTM system. ii. <u>Discussion and firm commitments obtained for removal of NTMs as prior conditions for funding.</u> iii. Understanding that the current system significantly underestimates trade, license and permit numbers & value vs known data in Customs systems. <p>Risk: <u>Rejection of recommendations for streamlining key NTMs, especially those relating to non-automatic licenses:</u> The current regulations are not consistent with WTO agreements (TFA) and some of them are not harmonized across the country.</p> <p>Mitigations:</p> <ul style="list-style-type: none"> a. Implementation of the PM's order No. 02/2018 through a detailed supporting instruction for removing
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redundant controls and streamlining procedures (to be approved).

Risk: Lack of buy-in and cooperation with the Customs Service.

Mitigations:

- (i) Involvement with Customs from commencement - verbal agreement reached with Customs that they will grant DIMEX access to ASYCUDA to undertake the above activities in support of outcomes.

Risk: Lack of trained E-Stat staff, Risk based trained staff & ASYCUDA trained staff.

Mitigations:

- i. Training workshops for DIMEX staff in ASYCUDA, replacement E-Stat system and Risk Management.
- ii. Change management of data expectations within Management of the MoIC /DIMEX and other clients.

Risk: Lack of buy-in from the Governor's office for the Provincial TFCs.

Mitigations:

- i. PTFCs are set up by the PM's Decision and the Governors not extending support could be reported to the NTFC
- ii. If needed, DIMEX official will attend PTFC meetings to provide necessary support on TFA issues.

Risk: Inefficient Use of Funds in Provinces and by PTFCs .

Mitigations:

- i. Quarterly reporting to the NIU and DIMEX on requests for, and use of funds, before further funds are released.

Section 4: Monitoring and Evaluation

4.1 Identify indicators, outputs and outcomes which can be monitored before, during and after project implementation. e.g.:

Outputs:
of research/studies conducted
of national sector strategies developed
of regulations/guidelines developed

Outcomes:
of findings/recommendations implemented
of strategies approved
of regulations/guidelines approved

Key indicators to measure the outcome:

- a. Number of days taken to obtain import licenses and permit for automatic and non-automatic NTMs reduced by 50 percent by the end of the project. [Baseline: To be established when NTMs are reviewed].
- b. Regulatory compliance costs for imports and exports reduced by XX percent. [Baseline: To be established by the time when NTMs are reviewed with a clear methodology or it may be based on Doing Business number]
- c. Feedbacks from traders and stakeholders are satisfactory with DIMEX statistics services. [DIMEX gives out feedback forms to users at the end of data downloads or giving out data files].
- d. Number of PTFC meetings convened, number of TF issues raised and number of TF issues raised with the NTFC of the TF issues raised from PTFC to the NTFC, 75 percent of all provincial TF issues have been resolved by NTFC through ministerial and PMO decisions. [Baseline: To be established when PTFCs of at least 4 provinces with major crossing points become operational]

In addition to above, following indicators will also be used for monitoring outputs and outcomes:

- a. At least 20 NTMs reviewed, analysed with trade pattern and possible risks of regulatory non-compliance based on Customs transactional data for rationalization, removal and streamlining six months after the project launching.
- b. At least Five NTMs with non-automatic licensing/certification requirements rationalized and streamlined 10 months after project launching.
- c. At least 15 NTMs with automatic licensing requirements rationalized and removed/streamlined 12 months after project launching.
- d. A gap assessment of DIMEX's external trade statistics services with improvement/replacement option conducted and presented for DIMEX's management decision by fourth months after project launching.

	<ul style="list-style-type: none"> e. A new/improved dataset software installed and operational to improve collection, processing and dissemination by DIMEX eight months after the project launching. f. Time-series external trade data published monthly, quarterly and yearly ten months after the project launching. g. Number of PTFC meetings held in a year, which were chaired by the Vice-Governor and number of TF issues resolved and escalated to NTFC for decision- their minutes in support as evidence. h. Participants in meetings and workshops are assessed on understanding, relevance and usefulness to work programs on the basis of end of the program feedback/evaluation. i. Number of government officers and private stakeholders trained and/attended meetings and training workshops (reported by disaggregating gender).
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Section 5: Project implementation arrangements

<p>5.1 Describe project implementation entity</p>	<p>Project implementation in DIMEX will be undertaken by the DIMEX TIU (Trade Facilitation Implementation Unit), which will be reporting to the DG DIMEX. Head of this TIU will be solely responsible for monitoring implementation of the project, reporting its progress and conducting performance review, besides coordination with other line departments, the private sector and other stakeholders</p> <p>TIU will be seeking regular monthly reports from various divisions, units and Contractors involved in or affected as clients by, the project, including details on their key progress indicators.</p>
<p>5.2 Describe internal supervision arrangements</p>	<p>Head of the Trade Facilitation Division will be reporting to the DDG, who in turn will report to the DG DIMEX to ensure effective implementation of above activities. Trade Facilitation Division will also be obtaining quarterly progress reports from provinces on implementing the TF Road Map, which will be consolidated by DIMEX and submitted to NTFC for effective monitoring.</p>

5.3 Describe reporting line	The progress report of the project will be submitted on the regular basis to NIU, Department of Planning and Cooperation, MOIC.
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Section 6: Timetable & Budget

Activity I – NTMs Reform	Budget (US\$)	Expected start date	Expected completion date
Revision of the list of goods subject to automatic, non-automatic, import and export licensing (Decision no. 0076/MOIC.DIMEX)	5,000	1 December 2019	31 March 2021
<ul style="list-style-type: none"> - Implementing recommendations of the NTM review reports of 20 key NTMs (5 relating to non-automatic licenses, and 15 to automatic licenses) for removal, rationalization or streamlining of NTMs in close consultation with the concerned line departments - Draft and revise the regulations relating to import and export, transit and import for re-export of goods as specified in the PM's Order and for the improvement of Trading Across 	83,000	1 December 2019	31 March 2021

Border indicator of EDB; - Consultation Meeting/Workshop with PTFCs in Northern and Mid-Southern Provinces			
Sub Total NTMs Reform Activity	\$88,000	1 December 2019	31 March 2021
Activity II – E-Statistics	Budget (US\$)	Expected start date	Expected completion date
Hiring of international ICT Consultant	---	1 December 2019	31 December 2019
Task Set 1: International ICT Consultant. Conduct GAP Analysis of current Estat system vs DIMEX needs and CF Proposal needs. Specification of new Estat system. 25 days	\$38,000 IICT Expert	1 December 2019	31 March 2020
Task Set 2. Procurement on new Estat systems through NIU.	\$25,000	1 April 2020	1 December 2019
Minor Hardware and Software Purchases, Maintenance Costs etc	\$8,000	1 April 2020	1 December 2019

Organizing training of the upgraded system. (2 workshops)	\$10,000		
Sub Total E-Stat Activity	\$ 81,000	1 December 2019	31 November 2021
Activity III – Enhanced Monitoring of TFA implementation through Provincial TF Committees	Budget (US\$)	Expected start date	Expected completion date
Supporting the Provincial TF Committees in major provinces @ 5,000 for each per year for 2 years; and additional provinces if needed.	\$100,000	1 December 2019	31 May 2021
Administrative Staff to assist with budget planning and clearance of activities for provincial TF Committees and the five main departments (LCD, FDD, DOA, DOLF and DIMEX)	\$14,070	1 January 2020	31 September 2021
Sub Total Enhanced monitoring	\$ 114,070	1 December 2019	31 November 2021
Budget Total – All Activities	Budget (US\$)	Expected start date	Expected completion date
Subtotal – all activities:	\$283,070	1 December 2019	31 November 2021
Contingency – Approx. 10%	\$28,307		
Total	\$311,377	1 December 2019	31 November 2021

Annex 1- List of Non-Tariff Measures (NTMs) Reform

Sl. No.	Measure Name	Measure Type	Agency	Legal Reference & Comments
NTMS Reform				
Phase I: NTMs Reform				
1	Requirement to obtain import license - Road Vehicles	Licensing Requirement	MoIC, DIMEX	Decision on the Procedures for Car Import & Distribution in the Lao PDR No.0075/MOIC.DIMEX. This NTM duplicates many of the requirements and NTMs already administered by the DoT. May be accounted for through Statistics.
2	Requirement to obtain import license - Gas	Licensing Requirement	MoIC, DIMEX	Decision on the Procedure for Import & Distribution of Gas in the Lao PDR No.0238/MOIC.DIMEX. This NTM is subject to automatic import licensing. May be accounted for through Statistics. Additionally, companies are already registered for these activities.
3	Requirement to obtain import permit - Fuel (Only Engine Oil, Heavy Oil, Lubricating Oil, Hydraulic Brake Fluid)	Licensing Requirement	MoIC, DIMEX	Decision on the Procedure for Import & Distribution of Petroleum in the Lao PDR No.0237/MOIC.DIMEX. Instruction on the Implementation of Some Article Content in Decree on Petroleum Business No. 331/PM dated 27 October 2017. No. 0521/MOIC.DDI, dated 02 May 2018. Decree on Petroleum Business no. 331/PM dated 27 Oct 2017. Companies undertaking these imports are already registered for this activity, so individual licenses are not required. May be monitored by statistics.
Phase II: During the Project DIMEX will discuss with concerned departments about the possibility to reform the following NTMs				
4	Requirement to obtain a certificate for the import of vehicle parts	Licensing Requirement	MoIC, DIH	Notification on the Importation of Vehicle, Spare Parts for Assembling Factories No. 0340/MoIC/TFPD, dated 27 March 2003. Order on the termination of issuing import license of vehicle parts, raw petroleum & semi-processed petroleum for combination, distill, or manufacture in factories No. 0535/MOIC.DIMEX, dated 10 April 2017. Importers of parts for assembly are already registered for this activity and parts may be fully accounted for by statistics. Movement in this area would contribute to Lao's WB Ease of Doing Business ranking and would facilitate a move to vehicle assembly processes used in the rest of ASEAN and worldwide.
5	Requirement to obtain export license for mineral products	Licensing Requirement	MoEM	Decision on Import & Export Licensing Procedures of Minerals & Mineral Products No. 0352/MEM. Notification on Export Licensing Procedures of Minerals & Mineral Products No. 2050/DOM. May be accounted for through Statistics. Additionally, companies are already registered for these activities. Calculation of royalties for exports occurs at least three times in the mineral export process, once by the LCD, by the DoM and by MoF.
6	Requirement to obtain import license - Mineral and mineral products	Licensing Requirement	MoEM	Decision on Import & Export Licensing Procedures of Minerals & Mineral Products No. 0352/MEM. Notification on Export Licensing Procedures of Minerals & Mineral Products, No. 2050/DOM. These controls make sense for exports, but similar controls exist covering dangerous, valuable and prohibited goods in other areas of government. Companies undertaking these imports are already registered for this activity, so individual licenses are not required.
7	Requirement to obtain import license for chainsaw (wood-cutting machines)	Licensing Requirement	MoAF	Decision on Procedures for Importation, Management & Utilization of Chainsaw [Wood-cutting machine] No. 0080/MAF. Unneeded control. Chainsaws and similar machinery are fundamental tools for industry. Imports may be monitored by statistics.
8	Requirement to obtain export permit - Forest Product	Licensing Requirement	MoAF	Notification on Management & Export of Non-Agricultural Forestry Products & Charcoal Woods No. 1355/PSPM.SO, dated 9 September 2016. May be accounted for through Statistics. Additionally, companies are already registered for these activities.
9	Requirement to obtain import license - Publications	Licensing Requirement	MoICT	Decision on Procedures for Importation & Distribution of Publications No. 518/MoICT. Law on Publications No. 05/NA. This NTM is not currently enforced except by internal market regulation & sampling based on complaints. Discussion with the MoICT in 2018 indicated limited opposition to removal as they understand the complexity of enforcement at the border and prefer internal control.
10	Requirement to obtain import permit - Entertainment Products	Licensing Requirement	MoICT	Provision on Management & Inspection, Authorization of Entertainment Product no. 664/MoICT, dated 22 October 2003. What is an entertainment product? This NTM cannot be enforced and this was discussed with the MoICT in 2018, who agreed this is currently unenforceable due to its vague nature.
11	Requirement to obtain import permit - Media Products	Licensing Requirement	MoICT	Law on Media no. 01/NA dated 25 July 2008. What is a media product? This NTM cannot be enforced and this was discussed with the MoICT in 2018, who agreed this is currently unenforceable due to its vague nature.
12	Requirement to obtain import permit - Film	Licensing Requirement	MoICT	Decree on Film No. 246/Gov, dated 23/7/2014. The MoICT discussed this with DIMEX in 2018. They do not currently enforce this NTM as they know they cannot control the import and export of films, as the majority are entered electronically. Instead the MoICT charges for assessing films to be shown in cinemas, by viewing and rating them for public consumption. Film distributors pay for this service and this is conducted as a purely internal, non-border process.
13	Requirement to obtain an import permit: Advertisement signboard	Licensing Requirement	MoICT	Decree on Signage, No. 36/GI, dated 29 January 2016. Law on Sign No. 50/NA dated 21 June 2018. Discussed with the MoICT in 2018. They agree there is no definition of what an advertising signboard is or isn't and they do not and have never been enforced at the border. Advertising signage is managed purely internally within Lao.
14	Requirement to obtain export permit - Media Products	Licensing Requirement	MoICT	Law on Media no. 01/NA dated 25 July 2008. What is a media product? This NTM cannot be enforced and this was discussed with the MoICT in 2018, who agreed this is currently unenforceable & is not enforced due to its vague nature.
15	Requirement to obtain export permit - Film	Licensing Requirement	MoICT	Decree on Film No. 246/Gov, dated 23/7/2014. Not enforced by the MoICT and who agreed in 2018 it has never been enforced and with changes in technology, cannot be enforced.

Annex 2: Suggested Data – E-Stat reporting from ASYCUDA or Oracle:

Please note that if we know the Declaration Number, Declaration Date and Customs Clearance Office/Post, we can uniquely identify every shipment, transit, export or import.

If we know Regime Types, we can know whatever exemptions were applied.

Knowing all the above + the HS Codes means we can group our data anyway anyone wants: by Customs Post, Province, Data, Commodity, Value, Regime Code, Trader, Tax, License Type or any combination et etc.

E-Stat Customs Equivalent	Sub-Field	Notes
Declaration Number		Customs Declaration Number
Declaration Date		Date Declaration was lodged with Customs
Customs Clearance Office		Clearance Post.
Import Regime	Some declarations have sub codes or types	Regime Codes can have subtypes. Knowing what the regime codes are lets us know exactly what was imported or exported and if a special regime or allowance was applied.
Customs Broker Registration Number	Name	Customs Broker or Person who prepared the Declaration
	Village	Not needed if we have legal ID but is available.
	District	Not needed if we have legal ID but is available.
	Province	Not needed if we have legal ID but is available.
	Fax	Not needed if we have legal ID but is available.
	Mobile	Not needed if we have legal ID but is available.
	Phone	Not needed if we have legal ID but is available.
	email	Not needed if we have legal ID but is available.
TIN	Name	We should use the legal, Importer TIN number here. This also links to the Importer details in the sub-fields.

E-Stat Customs Equivalent	Sub-Field	Notes
	Address	Not needed if we have legal ID but is available.
	Country	Not needed if we have legal ID but is available.
	Fax	Not needed if we have legal ID but is available.
	Mobile	Not needed if we have legal ID but is available.
	Phone	Not needed if we have legal ID but is available.
	email	Not needed if we have legal ID but is available.
Declaration Line Number		This is available now and allows much more accurate data to be presented than the current manual system.
Duty and Tax		Duty and Tax Paid
Duty and Tax Exemption		How much taxes or duties were not collected
License/ Permit Number		Tells us what licenses or permits should exist. When the NSW is live, data should appear in this field.
Goods Description		
HS Code		The Customs HS code is at the 10-digit level and is therefore of higher quality than the 6 or 8-digit fields used by MolC, as the 10-digit code provides a higher quality, more accurate description and definition of the goods.
Quantity		
Value or CIF		As per notes – we can use the Value field, but CIF is better. Both are available in E-Stat
	Value per Unit	We can use the Value field, but CIF is better. Both are available in E-Stat
COFO - Country of Origin		Not collected by MolC, but useful for proper Trade Stats analysis
COFE - Country of Export		Not collected by MolC, but useful for proper Trade Stats analysis

From: Mombert Hoppe <mhoppe@worldbank.org>
Sent: Tuesday, October 22, 2019 15:06
To: Sonemala; vilavong.s@laomoic.org
Cc: phouvieng.p@laomoic.org; 'ທ່ານ ບອ ແກ້ວມໍລະກົດ ສິດລາກອນ'; 'Khambay Sithirajvongsa'; lattanaphone.v@laomoic.org; sengxay.p@laosoft.org; 'Zay'; Konesawang Nghardsaysone; lisa.mortimer@dfat.gov.au; Elisa Cabacece; Phet Udom Mainolath; 'ທ່ານ ນາງ ເສົາວະລັກ ວິໄລວັດ'; soulinhon.ph@gmail.com; 'Souksavath, Soulivanh'; Anders Imboden; Somsangouane Keovilay
Subject: RE: CF Proposals of DIMEX

Dear Sonemala and all,

Thank you for sharing this Challenge Facility proposal submitted by DIMEX and cleared by the National Trade Facilitation Committee Secretariat.

We have no additional substantive comments on this proposal and think it is in good shape for implementation. However, we have a couple of smaller comments for finalization:

- We suggest to clarify in Section 2.5 (i) that DIMEX, as Secretariat to the NTFC, will be leading the implementation this proposal and will be responsible for working with line departments and getting them on Board to achieve the expected outcomes, if necessary by elevating challenges to the NTFC discussions for the chair's decision.
- From our point of view, it would be important for DIMEX to publish the reviews of NTMs once they have been completed. This would be important to build support for this reform agenda among the trading community.
- Please note that the challenge facility proposal template under LCTP does not have a section 2.6 – kindly review and delete as appropriate.
- We understand that the budget is only indicative at this point in time. But please already update the budget as it seems inconsistent with the proposal regarding the figures but also reference to ASYCUDA under the second component:
 - We note the budget allocation to the removal of NTMs but think that not more than 15 percent of the allocated amount should be used for workshops. We suggest revising the printing cost for the service charter brochures which seems extremely expensive and also to include this under component 3.
 - The allocation for training and capacity building at provincial committees seems to be out of balance with the rest of the proposal and we are wondering if this was the most efficient use of scarce government budget available to implement the TFA. We suggest that a significantly reduced allocation to this budget line (and component) would be sufficient. Maybe under this first CF proposal, you could focus on 5 provinces only and reduce the amounts per workshop and be strictly related to NTM-related activities. We would further suggest that each workshop/activity funded under this component be reviewed by the NIU prior to execution.

Best regards,

Mombert

From: Sonemala <sonemala.n@laomoic.org>
Sent: Tuesday, October 22, 2019 10:55 AM
To: Mombert Hoppe <mhoppe@worldbank.org>; 'Souksavath, Soulivanh' <Soulivanh.Souksavath@dfat.gov.au>; vilavong.s@laomoic.org
Cc: 'ທ່ານ ບອ ແກ້ວມໍລະກົດ ສິດລາກອນ' <keomorakoth@hotmail.com>; 'Khambay Sithirajvongsa'