



Inclusive growth through regional integration, trade intelligence and participating in global value chains

ARISE Plus Lao People's Democratic Republic







COUNTRY FOCAL POINT: Ministry of Industry and Commerce (MOIC)

DONOR: European Union

TIMEFRAME: 2019-2023

TARGET GROUPS: Local producers, small businesses and exporters, national government

PROJECT SUMMARY

The project "ASEAN Regional Integration Support from the European Union - Lao PDR (ARISE Plus)" promotes inclusive economic growth, increased climate change resilience, mitigation of vulnerability and job creation in Lao PDR under pillars: regional integration, three trade opportunities and market linkages, and developing selected value chains.

ARISE Plus Lao PDR is the country-specific component of the regional ARISE Plus programme that contributes to the integration of the Lao economy into global production chains through supporting both the public and private sectors, with a focus on smallholders and small businesses. It aims to improve the business environment in targeted sectors through regional economic integration (ASEAN); and to increase trade and participation in global value-chains in targeted sectors to facilitate economic diversification.

The project works in cooperation with the Ministry of Industry and Commerce, the Ministry of Agriculture and Forestry, other relevant agencies, Lao exporters who wish to expand to markets in Europe and Asia, as well as trade and investment support institutions such as the Lao National Chamber of Commerce and Industry.

The project contributes to the achievement of the following United Nations Sustainable Development Goals:





PROJECT OBJECTIVES:

- 1. **Increased regional economic integration** by addressing constraints in selected sectors; implementing ASEAN Trade in Goods Agreement and ASEAN Economic Community Blueprint 2025.
- Increased awareness on trade preferences for export to European Union (thereby benefitting of Everything But Arms and other trade agreements); preparing Lao PDR to shift to a new trade preference scheme in light of forthcoming least-developed-country graduation.
- Strengthened support services, especially for smallholders and micro businesses (with a focus on women), reduced supply-side constraints and trade and investment promotion in targeted sectors (for example, wood processing and agro-based products).

RESULTS ACHIEVED SO FAR

1) Increased regional economic integration

- Thanks to the project support, Lao PDR has:
- its first Foreign Trade Negotiations Roadmap that outlines strategies for future trade negotiations, and trained trade officials for negotiations.
- identified 18 gaps in the ASEAN Trade in Goods Agreement and formulated 24 recommendations. The country can now better prepare for regional trade agreements and increase its trading relationships in ASEAN and beyond.
- advanced on food safety and quality standard requirements for exports, including assessing 3 conformity assessment bodies, promoting 2 national product standards.
- More than 500 public and private sector stakeholders trained on trade policy, trade facilitation and quality-related issues.

- 2) Increased benefits from trade opportunities and market linkages to the EU
 - Preferential market access opportunities under Everything But Arms and more, to increase exports to the EU.
 - 15 Lao trainers and public and privatesector professionals sensitized in this regard.
 - Six dedicated Everything But Arms Business Guides – 1 general and 5 on specific sectors, accessible online.
 - Trade policy officials capacitated on advanced trade policy modelling to anticipate consequences after Lao PDR's least-developed-country graduation.
 - Trade implications study on graduation produced and disseminated. Update expected in view of LDC 5 conference.
 - Awareness raising on quality standard requirements under Quality Champions Programme. 15 Quality Champions will be able to assess, coach and guide companies on improving quality and receiving international certifications.

3) Improved participation in global value chains

The project addresses the country's supply-side constraints, strengthens support services, enhances the investment climate, and supports trade and investment promotion – with a focus on processed wood products and coffee.

 Export Roadmaps on both wood products and coffee launched by Minister of Industry and Commerce and Minister of Agriculture and Forestry. Follow-up with practical action points and projects on-going.

- Trade policy officials trained on data management, to improve trade statistics in the country.
- More than 100 stakeholders trained on Organic Coffee Farming, with 24 coached on implementing organic principles. Sensory and cupping skills workshop trained more than 50 individuals in coffee industry, with support given to specialty coffee companies for added value.
- Activities supporting sustainable sourcing in wood to meet legal timber requirements in untapped markets, such as EU, and to create higher added value for Lao wood products.



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