



REPORT OF THE ARISE Plus LAO PDR PROJECT

(JULY – DECEMBER 2020)

To be presented during the

Project Review Committee meeting # 3

Thursday 10 December 2020



Table of content

Acronyms.....	4
I. Introduction	5
II. Achievements during July to December 2020: overview.....	7
Budget performance	7
Summary of key achievements for the period of July to December 2020.....	7
Summary of key project set-up and management results.....	8
III. Achievements July to December 2020: Expected Result 1	10
Activity 1.1 – Gap analysis of ATIGA implementation in Lao PDR	10
Activity 1.2 – Review of the gap analysis results with GoL, and the private sector and agree on specific trade measures to be addressed (with a focus on targeted sectors)	12
Activity 1.3 - Technical assistance and capacity building in the area of policy definition, regulations and procedures, product and environmental standard adoption.....	12
IV. Achievements July to December 2020: Expected Result 2	19
Activity 2.1 - Review of export potential and existing trade with the EU and the regional market	19
Activity 2.2 – Awareness raising about EBA Preferences	19
Activity 2.3: Development of awareness raising materials and online tools on EU quality related mandatory market requirements, standards and other market driven requirements for the coffee and wood processing sector and related dissemination.....	22
Activity 2.4: Development and qualification of pool of national quality champions and sensitization events organized in co-operation with local institutions	23
Activity 2.5 – Development of a practical online export curriculum to support private sector exports	23
V. Achievements July to December 2020: Expected Result 3	26
Activity 3.1 - Development of sectoral export strategies to identify supply-side constraints and remedial actions	26
Activity 3.2 - Review of quality and availability of statistical data (trade and investment statistics, including gender indicators) and work with the relevant authorities (e.g. MOIC ICT) to strengthen data collection and statistical production capacities.....	27
Activity 3.3: Promotion of predictable legal timber supply to incentivize sustainable land management and establish a clear rule set.....	28
Activity 3.4 Technical assistance to SMEs in targeted sectors to enhance production and develop market linkages with regional and European markets, including trade fair participation, market missions and B2B activities	28
Activity 3.5: Implementation and roll out of practical/hands on training and advisory support services in quality management to enterprises aimed at complying with specific quality requirements of destination markets. This support will be largely implemented by the Quality Champions in cooperation with local partner institutions	28
Activity 3.6 – Investment Promotion in the Targeted Sectors	28
Activity 3.7 Promote increased adoption of environmental and social standards to SMEs in targeted sectors	30
VI. Cross-cutting activities.....	31

VII.	Communication and visibility	32
VIII.	Conclusion: challenges and next steps - reflecting upon the second half of 2020	34
IX.	ANNEX: Work Plan ARISE Plus Lao PDR – January to December 2021	36

Acronyms

AEC	ASEAN Economic Community
ARISE Plus	ASEAN Regional Integration Support from the EU
ASEAN	Association of South East Asian Nations
ATIGA	ASEAN Trade in Goods Agreement
DFTP	Department of Foreign Trade Policy
DIMEX	Department for Import and Export
DoA	Department of Agriculture
DoF	Department of Forestry
DoIH	Department of Industry and Handicraft
DPC	Department of Planning and Cooperation
DTP	Department for Trade Promotion
EBA	Everything But Arms
ER	Expected Result
ERIIT	Economic Research Institute for Industry and Trade
EU	European Union
FDD	Food and Drug Department
FLEGT	Forest Law Enforcement, Governance and Trade
GIZ	Deutsche Gesellschaft für International Zusammenarbeit
GoL	Government of Lao PDR
ISO	International Organization for Standardization
ITC	International Trade Centre
Lao PDR	Lao People's Democratic Republic
LDC	Least Developed Country
LNCCI	Lao National Chamber of Commerce and Industry
MoIC	Ministry of Industry and Commerce
NIU	National Implementation Unit
PCO	Project Coordination Office
PPC	Plant Protection Centre, MAF
PRC	Project Review Committee
QCs	Quality Champions
RCEP	Regional Comprehensive Economic Partnership
SME	Small and Medium-sized enterprises
SPS	Sanitary and phytosanitary measures
SYMST	Systematic Mechanism for Safer Trade project
TBT	Technical barriers to trade
UN	United Nations
UNCT	UN Country Team
WTO	World Trade Organization

I. Introduction

Adapting to the global outbreak of COVID-19

The second half of 2020 was still dominated by the global outbreak of the COVID-19 pandemic. In the Lao People's Democratic Republic (Lao PDR) the first COVID-19 positive case was reported in mid-March which led Prime Minister Thongloun Sisoulith to order a 'lock down'¹ from April 1st to 19th, which was then extended to May 3rd, 2020. Until November 2020, there were officially only 39 COVID-19 positive cases in Lao PDR, with no death reported. This is a great achievement for the Government of Lao PDR overall and needs to be congratulated.

Acknowledging that Lao PDR has so far avoided a health crisis, it has not been immune from the global economic downturn. The COVID-19 induced economic downturn has affected the Lao economy through multiple channels including tourism, trade and investment, commodity prices, exchange rates and lower remittances.²

It is against this background that the EU-funded ARISE Plus Lao PDR (The ASEAN Regional Integration Support from the EU Plus – Lao PDR) project has adapted and adjusted its mode of delivery in order to ensure a smooth implementation despite the restrictions on international travel, meetings and working from the office. Counter measures were implemented for 13 ARISE Plus activities, including the use of online and collaborative tools: individual activities were adjusted in order to respond to the 'new normal' caused by the COVID-19 pandemic. COVID-19 specific activities were discussed and implemented, supporting Lao PDR and in particular MSMEs to respond to the crisis. Furthermore, ITC contributed to the UN Country Team joint COVID-19 response efforts, such as the preparation Socio-Economic Response Framework and Programme.

Going forward the team continues to respond in a flexible manner, addressing the needs of the Lao stakeholders within the scope and agreed objectives of the ARISE Plus Lao PDR project.

ARISE Plus Lao PDR

Over the past decade Lao PDR has strengthened economic ties to global and regional partners. It joined the World Trade Organization (WTO) in 2013 and committed to regional integration in form of the ASEAN Economic Community (AEC) that entered into force in 2015 and the AEC Blueprint 2025. Resource-intensive exports, however, result in only limited structural transformation and thus gains for small and medium sized enterprises (SMEs). Existing opportunities from economic integration are not fully seized and compliance with sectoral market requirements, such as the EU's Forest Law Enforcement, Governance and Trade (FLEGT) that prevents EU-bound imports of illegally sourced wood-based products, remains inadequate. The economy also suffers from complex regulatory procedures and limited export diversification. Thus an integrated effort is needed to diversify economic activity to ensure inclusive economic growth and sustainable job creation for the future.

In order to assist the Government of Lao PDR to promote inclusive economic growth, increased climate change resilience, mitigation of vulnerability and job creation, the ARISE Plus Lao PDR (The ASEAN Regional Integration Support from the EU Plus – Lao PDR) project was launched with funding from the European Union (EU). The project is implemented by the International Trade Centre (ITC) and is oriented towards the improvement of the overall business environment and the increased participation in global value chains for two selected sectors: wood processing and coffee.

As described in the Description of the Action, the project has three Expected Results (ER):

¹ Prime Minister Order No.6

² WB (2020) Lao Economic Monitor, May 2020

-
1. ER 1. Increased regional economic integration by addressing specific constraints in targeted sectors through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement (ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025.
 2. ER 2. Increased awareness on trade preferences for exports, including to the European Union, with greater use of Everything But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA).
 3. ER 3. Strengthened support services (especially for smallholders and SMEs, with a focus on women), reduction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood processing and agro-based products).

The ARISE Plus Lao PDR project started in Q3 2019 (official start on 1 November 2018 and official signature on 4 July 2019). The inception phase ended on 4 January 2020. The official duration of the project (as per the Contribution Agreement) follows the retroactive start date of the project. Hence, the key dates of the project are as follows:

- **Inception phase:** 1 November 2018 – 4 January 2020
- **Year 1:** 5 January 2020 – 31 December 2020
- **Year 2:** 1 January 2021 – 31 December 2021
- **Year 3:** 1 January 2022 – 31 October 2022

This report is covering the period from **1 July to 31 December 2020**. It summarizes key achievements, reflects on challenges encountered, including due to the global COVID-19 pandemic, and highlights priorities for the upcoming months (1 January to 31 December 2021).

II. Achievements during July to December 2020: overview

Budget performance

The overall budget performance of the ARISE Plus Lao PDR project reached approximately 63% of the available budget from its inception until 1 December 2020.

Expenditures by Expected Results between November 2018 and December 2020

Pillars	Expenditures (= total expenditures 1 November 2018 - 1 December 2020)	Budget (=total budget released 1 November 2018 - 1 December 2020)	Difference	% of budget spent
E.R. 1 Regional Economic Integration	273,615	630,172	356,557	43%
E.R. 2 Trade Preferences for Exports	334,701	540,217	205,516	62%
E.R. 3 Value Chain Development	599,518.00	882,990	283,472	68%
Project Management, Partnerships and Coordination	516,533.00	677,099	160,566	76%
Total	1,724,367	2,730,478	1,006,111	63%

Source: ITC calculations, based on ITC Project Portal – 1 December 2020.

Summary of key achievements for the period of July to December 2020

During the last 6 months of the year 2020, 14 out of the 15 activities as per the Description of the Action were kicked off or continued. The approved work plan from the second PRC meeting (16 July 2020) was implemented as much as possible, with continued adaptations to the challenges caused by the global COVID-19 pandemic. The objectives of this semester were fulfilled: most of the desk research was completed; a series of consultations were held in order to engage with key stakeholders from the private and public sector; 4 events were organized in total.

In terms of key achievements, the second semester of 2020 could be summarized as below:

- the first Lao PDR Quality Champions Programme was launched jointly with the Lao National Chamber of Commerce,
- the wood processing and coffee export roadmaps were submitted for final review and approval to the Minister of Ministry of Industry and Commerce (MoIC);
- two data collection efforts on the targeted sectors were launched between June and August 2020, resulting in the publication of two sector specific COVID-19 rapid assessments to reflect any changes in the two sectoral export roadmaps
- the final draft of the Foreign Trade Negotiation Roadmap was submitted to GoL for comments and feedback;
- the ATIGA gap analysis was successfully launched with an introductory workshop for key stakeholders, followed by bilateral interviews, in depth desk research, and drafting of the analysis;
- the report of Lao PDR's quality and sanitary and phytosanitary (SPS) infrastructure was finalized and next steps were discussed with stakeholders;
- regulatory assessments in the transport & logistics sector and in the tourism sector started;
- the e-learning course on export procedures was jointly initiated with LNCCI;
- the training programme on 'Understanding Principles and Utilization of Multilateral and Regional Trading Arrangements' was jointly initiated with the Economic Research Institute for Industry and Trade (ERIIT)
- research and consultations for the Everything But Arms (EBA) business guide have started;

- the investment profiles for the wood processing and coffee sectors were kicked off and first draft reports have been shared with the ITC team for review;
- capacity building activities in the area of e-commerce have been proposed and are being discussed;
- activities on timber legality and the promotion of social and environmental standards in the priority sectors have kicked off.
- the study on *Trade implications of Lao PDR's graduation from LDC status* was widely disseminated at different occasions
- ITC actively participated in the multi-stakeholder taskforce for the recalibration of the 9th National Socio Economic Development Plan (NSEDP) responding to the COVID-19 pandemic
- ITC contributed to the different efforts assessing and shaping the UN Partnership Framework with Lao PDR.

Summary of activities completed in the second half of 2020

Expected Results	workshops and events	consultations	publications
E.R. 1 Regional Economic Integration	1	14	
E.R. 2 Trade Preferences for Exports	2	10	1
E.R. 3 Value Chain Development		79	2
Project Management, Partnerships and Coordination	1	16	
Total July - December 2020	4	119	3

Source: ITC, December 2020

Summary of key project set-up and management results

In terms of Project Governance and Management, the project has carried out a number of critical actions during the past six months:

- A second Project Review Committee (PRC) was organised on 16 July 2020, followed by the endorsement and approval by H.E. Vice Minister Somchit Inthamith of the ARISE Plus Lao PDR work plan for July to December 2020.
- This endorsement of the work plan also confirmed again the responsibility by department for each expected result area of the ARISE Plus Lao PDR project, namely Department of Import and Export (DIMEX) for ER1, Department of Foreign Trade Policy (DFTP) for ER2, and Department of Trade Promotion (DoTP) for ER3.
- In addition, the main focal points by sub-activity were re-confirmed, for example Department of Industry and Handicraft (DoIH) for the wood processing export roadmap (activity 3.1) and the Lao Chamber of Commerce (LNCCI) for the Quality Champions Programme (activity 2.4) and the e-learning course on cross-border procedures for Lao exporters (activity 2.5).
- Due to COVID-19 related travel and meeting restrictions, the last in person mission to Vientiane was the 2nd stakeholder consultation for the wood processing sectoral export roadmap from 24 to 28 February 2020. Since then, the ITC team and Lao stakeholders have adapted meeting modalities via online platforms (e.g. Zoom) in order to ensure continued implementation of project activities.
- A communication working group was set up, with the aim of operationalizing the communication plan of the project; and ensuring that the communication activities are implemented in line with the communication strategies and visibility plan. Two meetings of the working group were organized, with the participation of the European Union Delegation to Lao PDR, and the UN Resident Coordinator Office.

-
- A progress report for the past six months and a work plan for the upcoming six months has been prepared, to be presented during the third meeting of the Project Review Committee.

These actions allowed to provide a solid structure for a smooth implementation of the project despite restrictions due to the global COVID-19 pandemic.

III. Achievements July to December 2020: Expected Result 1

ER1: Increased regional economic integration by addressing specific constraints in targeted sectors through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement (ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025.

Activity 1.1 – Gap analysis of ATIGA implementation in Lao PDR

The activity is to conduct a diagnostic assessment of the current level of implementation, in Lao PDR, of the ATIGA and related AEC Blueprint 2025 Commitments. The objective of the assessment is to identify existing gaps, and understand the constraints/challenges faced by Lao PDR in the implementation. The findings of this study will feed into the development of an executable roadmap for structured and coordinated implementation of reforms (Refer Activity 1.2); and form the basis for determining further technical assistance/support, that can be provided under the scope of the ARISE Plus Lao PDR Project, in order to accelerate implementation and reduce related gaps (these technical assistance activities, once determined, will be covered under Activity 1.3).

Methodology and Results:

Upon receipt of endorsement of the Ministry of Industry and Commerce (MoIC) of Lao PDR earlier this year, discussions were held with the Department of Foreign Trade Policy (DFTP) to commence work on this activity, and desk research was undertaken to conduct a preliminary assessment and draft questionnaires for stakeholder consultations.

During the period covered under this progress report, the following activities were undertaken:

i. Introductory Workshop on the ATIGA –

ITC conducted a workshop titled 'Introducing the ATIGA and Related AEC Blueprint 2025 Commitments: Relevance for Lao PDR, Lessons from the Region, and the Way Forward'. The objective of the workshop was to enhance the understanding of key stakeholders in the public and private sector on the diagnostic study being undertaken, and the relevance of this exercise to enable Lao PDR to better integrate into the regional framework and leverage the benefits of the regional trading partnership.

Over the course of a half-day workshop, ITC's Subject Matter Experts provided participants with an overview of the ATIGA and related ASEAN frameworks; addressed the importance of addressing gaps in the ATIGA and related commitments to facilitate regional trade and integration; and provided insights into regional perspectives and best practices for implementing the ATIGA.

The workshop, held on 15 July 2020, was organized with the support of DFTP in the premises of the MoIC. 25 participants (10 female participants) from the public, private and academic sectors attended the workshop. ITC's Subject Matter Experts, Paolo Vergano and Tobias Dolle, delivered the workshop over video conference. (Refer below for pictures from the workshop).



ii. Distribution of questionnaires to stakeholders and follow-up consultations –

A 'commitments matrix' was developed based on the initial desk research setting out the specific obligations, related responsible agencies, questions, preliminary gaps assessment and comments.

The matrix formed the basis for identifying relevant stakeholders to be invited for the workshop mentioned above, and developing questionnaires based on the relevant stakeholders in terms of the subject matter within their mandate. The questionnaires were sent to approximately 30 stakeholders from the public and private sectors, although only about 15 responses were received in the first round. Therefore, ITC followed up with the stakeholders over email and phone calls seeking responses to the questionnaires.

After studying the responses received, ITC drafted further follow-up questions in order to obtain more detailed information and clarifications from key departments, and conducted a series of online consultations with stakeholders from these departments.

iii. Drafting of the ATIGA gap assessment –

Based on the desk based research conducted and feedback received from consultations, an initial draft of the ATIGA gap assessment was developed assessing the level of implementation of each of the provisions across the 11 chapters of the ATIGA. Based on this assessment, the study provides recommendations on the key priority areas for Lao PDR to work on in order to better implement the ATIGA and integrate into the regional trading platform. The draft study is undergoing further revisions based on the internal reviews and follow-up consultations conducted.

Challenges and adaptations due to Covid-19:

As noted in the previous progress report, ITC's experts were initially planning to conduct a fact-finding mission on the ground in Lao PDR, to deliver the workshop in person, and thereafter, engage in in-person bilateral consultations with relevant stakeholders for the study. However, this was impossible due to international travel restrictions. Therefore, ITC had to rely on engaging stakeholders via email, and phone calls to receive input/feedback on the questionnaires. ITC's National Consultant, based in Vientiane, helped bridge the gap where possible by following up with relevant stakeholders; and ITC's Subject Matter

Experts participated in consultations over Zoom in order to discuss and clarify more technical aspects of the study. There were challenges associated with discuss particularly technical topics and issues over an online medium, particularly when the connection was poor/not stable. In order to deal with this, ITC shared the follow-up questions with the relevant stakeholder via email in advance of the meeting – to enable the stakeholders to understand the issues being raised and prepare for the meeting; and then shared any further questions/clarifications via email after the meeting as well – to enable the stakeholders to provide any further input/information in this regard.

Next Steps:

The initial tentative plan was to have the first draft of the diagnostic assessment ready for submission to DFTP by October 2020. However, the time taken to receive feedback on the questionnaires and schedule meetings and follow-up consultations online resulted in more time being required for the drafting process. ITC will be undertaking further reviews of the draft assessment in December 2020, and will share the report with DFTP for review/feedback thereafter.

Upon receiving feedback from DFTP, ITC will undertake further revisions to the draft assessment based on the comments, and then organize a workshop to present and discuss findings of the study with relevant government departments, private sector stakeholders and partners. The comments/feedback received from the PPD and further consultations, if any, will be incorporated into the final report, and an executable roadmap for implementation of the ATIGA and for the setting-up of a monitoring system will be finalized. (Refer Activity 1.2).

Activity 1.2 – Review of the gap analysis results with GoL, and the private sector and agree on specific trade measures to be addressed (with a focus on targeted sectors)

The recommendations of the ATIGA gap assessment study discussed above in Activity 1.1, will feed into the development of a strategic roadmap for a structured and coordinated implementation of reforms in order to strengthen implementation of the ATIGA and related commitments of the AEC Blueprint 2025.

Methodology and Results:

The executable roadmap will comprise a plan for structured and coordinated implementation of reforms and measures addressing gaps identified in each potential area, and clearly outlining roles and responsibilities of various line Ministries and institutions. After the study referred to in Activity 1.1 is reviewed by the DFTP, the executable roadmap will be developed and shared with DFTP, and subsequently be presented at the PPD referred to above. Further consultations may be held to finalize the roadmap.

The study, and particularly the roadmap, will form the basis for setting up a monitoring system to undertake necessary measures in Lao PDR to align with the ATIGA and related AEC Blueprint 2025 commitments. The envisaged monitoring system may comprise of a bi-annual or annual review of the relevant provisions and status of implementation.

Next Steps:

As noted above, the study is undergoing further internal reviews and revisions, following which it will be submitted to DFTP for review and feedback. The executable roadmap will be developed in line with the comments/feedback received from DFTP. The roadmap will be finalized after presentation at the workshop referred to in Activity 1.1; and a monitoring mechanism will be set up in consultation with DFTP.

The mode of delivery of the PPD and further consultations will be determined depending on the international travel situation at the time.

Activity 1.3 - Technical assistance and capacity building in the area of policy definition, regulations and procedures, product and environmental standard adoption

The activity consists of several sub-activities:

(a) Sub-activity: Lao PDR's Foreign Trade Negotiation Roadmap

The Lao PDR Foreign Trade Negotiations Roadmap (FTNR) is a study undertaken, at the request of the DFTP, to ensure coherence in and promote Lao PDR's economic interests in the ASEAN economic integration process and negotiation of trade agreements at large, including the country's role in regional and multilateral trade negotiations.

Methodology and Results:

Desk research, bilateral consultations and the consultative workshop formed the basis for the in-depth analysis and drafting of the Roadmap study. The study comprises an analysis of the important current and future export markets for Lao PDR in geographical and product terms; assessment of the ease of, and existing barriers, to access identified key export markets; review of FTAs concluded by identified trading partners with third country; an analysis of the institutional structure in Lao PDR for FTA negotiations and implementation.

The Roadmap Study is currently being reviewed by MoIC, following which the revised Roadmap Study, based on the comments/feedback from the MoIC, will be presented at a validation workshop/discussion for public and private sector stakeholders; following which the study will be further finalized.

Challenges related to Covid-19 have been incorporated into and addressed in the draft Roadmap study.

Next Steps:

The draft Roadmap study is currently under review with MoIC, and an internal discussion between ITC and MoIC has tentatively been planned for early December 2020. Thereafter, ITC will undertake necessary revisions to the Study based on the comments received, and organize the validation workshop/discussion in consultation with DFTP.

(b) Sub-activity: Tailor-made training on trade negotiations for policymakers

ITC, in collaboration with the Economic Research Institute for Industry and Trade (ERIIT), is undertaking a targeted training programme on the topic 'Understanding the principles and utilization of multilateral and regional trading agreements'. (Topic proposed by ERIIT).

Methodology and Results:

ITC undertook discussions with ERIIT to consult on the target audience, the expected results of the training programme, and key topics/issues to be covered under the framework of the topic proposed.

A concept note was developed and shared with ERIIT and DFTP, in July 2020, with the proposed structure/methodology for the training course. The training course will be delivered across three phases:

- Phase 1: Training of Trainers on Subject Matter relating to principles and utilization of multilateral and regional trading arrangements –
 - o The objective of this phase is to build up and strengthen the knowledge of officials with the mandate to train and build up capacity of other officials on related subject matter in Lao PDR. Accordingly, the Phase 1 training will focus on trainers from DFTP and ERIIT, and a specified number of participants from the private and academic sector (depending on interest).
 - o The training programme will cover key principles relating to the WTO and ASEAN frameworks and understanding how better to benefit trade in the country using these frameworks; the support/access available to Lao PDR as an LDC; and Lao PDR's preparations in light of further regional integration (such as under RCEP, the AEC Blueprint 2025 and ASEAN Vision 2040).
- Phase 2: Practical capacity building sessions for ERIIT trainers on conducting trainings –
 - o The objective of this phase is to build up the skills of ERIIT trainers to be able to develop and deliver trainings on related topics to broader groups of stakeholders.

-
- ITC's Subject Matter Expert will work with 4 to 6 selected trainers from ERIIT on developing/reframing material depending on the target audience; and provide insights into research tools and platforms. The selected trainers will also work with ITC's Expert to actually develop and prepare to deliver a training course on the topic of 'Best practices and lessons learned on utilization of multilateral and regional agreements' to be delivered to central and provincial trade officers.
 - Phase 3: Delivery of two capacity building workshops for trade officers in selected locations
 - Upon completion of Phase 2, ITC's Expert along with the trainers will deliver two capacity-building workshop based on the material developed in Phase 2, to central and provincial trade officers. The location of these two workshops will be determined in consultation with ERIIT.
 - The objective of these workshops will be to build up knowledge of central and provincial trade officers on abovementioned topic, and enable the ERIIT officers engaged under Phase 2 to gain practical experience, under the guidance of ITC's Subject Matter Expert (Dr. Leelawath Watcharas, who has a teaching background), in delivering such workshops.

Challenges and adaptations due to Covid-19:

The Phase 1 training was originally planned to be delivered in-person, over a period of 5 days. However, since travel within the region has yet to open up, we have reorganized the Phase 1 training to be delivered over an online medium. Since, it is difficult to conduct a full day training online, for both, participants and the trainer – the programme will be conducted as a series of half-day sessions over the course of 7/8 days.

Next Steps:

Following confirmation of the proposed structure, ITC's Subject Matter Expert, Dr. Watcharas, developed a draft curriculum for Phase 1 of the training programme, taking into account the notes and issues raised by ERIIT in previous consultations. The draft curriculum has been reviewed by ERIIT; and revised based on comments received. ITC's Expert is currently in the process of developing the course material for the Phase 1 training sessions.

ITC also conducted a logistics planning meeting with DDG Viensavang of ERIIT. During this session, decisions were taken with regard to the dates and structure of the training session, participants and translation of material. The Phase 1 sessions are tentatively scheduled to take place from 20 to 28 January 2021. ITC and ERIIT will develop a list of participants from the public, private and academic sectors; and ERIIT will send out invitations for the training programme early January 2021. The course material will be translated into Lao language.

Thereafter, ITC will consult with ERIIT to select 4-6 trainers to engage with Dr. Watcharas for the Phase 2 capacity building sessions, which will take place over January/February 2021. The Phase 3 capacity building workshops are tentatively scheduled to take place in the first two weeks of March 2021.

(c) Sub-activity: Trade In Services Support – Regulatory Assessment for Transport and Tourism Services

ITC presented a concept note to the Trade in Services (TiS) Division of DFTP, in July 2020, setting out potential activities that can be undertaken to support services trade in Lao PDR, under the scope of the ARISE Plus Lao PDR project. The activities proposed included regulatory assessments for services sectors in Lao PDR; and capacity building engagements to support trade negotiations and policy reforms in services, and specialized training on the Services Trade Restrictive Index Tools.

Following discussions with the TiS Division, steps are currently underway to undertake two regulatory assessments for the transport and tourism services sectors in Lao PDR. The capacity building engagements referred to above will be scheduled for next year.

Methodology and Results:

For the purposes of this report, this section will focus on the methodology and results for the regulatory assessments, as it is currently being implemented.

Lao PDR undertook regulatory assessments for certain services, including transport and tourism, in 2015. Since then, several changes have taken place within the national and regional context, particularly, in light of the signing of the ASEAN Trade in Services Agreement (ATISA) in April 2019, and other regional negotiations and partnerships currently underway. Therefore, updated regulatory assessments are being undertaken for selected sectors to assist the Government of Lao PDR in the context of the ongoing negotiations relating to services trade, and to identify relevant regulatory reforms required to meet commitments being undertaken and facilitate regional integration.

The TiS Division proposed regulatory assessments to be undertaken for the transport and tourism sectors at the outset. Decisions will be made with regard to the other sectors after completing these regulatory assessments.

The assessment will involve an in-depth assessment of horizontal laws, regulation and policies affecting all sectors (such as investment laws, labour laws, immigration, laws, etc.); and sectoral laws and policies directly governing or impacting upon the sector. The assessment, based on desk research and stakeholder consultations, will feed into an analysis of the trade restrictions/inconsistencies based on the current regulatory framework and relevant commitments, and set out the reform measures to be taken to meet commitments undertaken or sought to be undertaken by Lao PDR and to facilitate integration into the regional framework.

The regulatory assessment for the transport sector will be undertaken first, covering passenger and freight transportation for five specific sub-sectors, namely air transport, rail transport, road transport, maritime transport, and internal water ways transport. (These sub-sectors were identified by the TiS Division).

Challenges and adaptations due to Covid-19:

Due to international travel restrictions, ITC's Subject Matter Expert will be unable to travel to Lao PDR to conduct stakeholder consultations, which are extremely important for the assessment, in-person. Therefore, ITC has reached out to law firms/lawyers based in Vientiane to support this assessment as a National Consultant. Accordingly, ITC's National Consultant will support the Subject Matter Expert by conducting in-person consultations on the ground, and engage with the relevant departments/institutions on the ground in order to access relevant laws, regulations and policies for the study.

Next Steps:

Regulatory Assessment for Transport Services - ITC will commence work on the regulatory assessment for the transport services sector from December 2020; and aim to have draft report ready for review by the second quarter of 2021. ITC will consult with and keep the TiS division updated throughout the research and drafting process, and make revisions based on comments/inputs provided by the TiS division to the draft report. Subsequently, the regulatory assessment will also be presented at a PPD to invite feedback and comments from a broad range of stakeholders, following which the report will be finalized taking into account any additional information and inputs.

Regulatory Assessment for Tourism Services - The regulatory assessment for the tourism sector will commence next year, upon completion of the transport services sector assessment. (Tentative plan is to commence this regulatory assessment in May 2021)

Upon completion of each of the regulatory assessments, ITC will also organize an advisory session between the TiS division and ITC's Subject Matter Expert to discuss the way forward and the next steps.

Capacity Building Engagements – ITC will undertake further discussions with TiS division early 2021 on the activities proposed in this context, and commence preparations accordingly.

(d) Sub-activity: E-Commerce Regulatory Support for Lao PDR

Following preliminary requests and consultations held with DFTP on support to the e-commerce regulatory framework in Lao PDR, ITC developed and shared a concept note proposing activities that can be undertaken to support E-commerce in Lao PDR under the scope of the ARISE Plus Lao PDR project.

The proposed activities include:

- (i) Support to develop and implement an action plan/roadmap for Lao PDR on E-commerce regulatory reforms - with the objective of facilitating compliance with ASEAN and regional commitments in relation to e-commerce; and building trust in, and capacity, among various stakeholders, to strengthen the e-commerce marketplace. This will include undertaking an assessment to understand the steps/measures already implemented in Lao PDR, including support provided by other institutions, and identify further needs in this regard. This study will help determine technical assistance needs of Lao PDR, within the regulatory landscape – and form the basis for further e-commerce related activities that can be undertaken in line with the objectives of the ARISE Plus Lao PDR project.
- (ii) Support to strengthen capacity of officials to engage in e-commerce trade negotiations on a multilateral and regional platform – by developing customized guides on specific e-commerce issues; conducting training workshops based on the customized guides; and facilitating public-private dialogues to help craft national positions on e-commerce issues of priority for Lao PDR.

The concept note has been shared with DFTP for review, and ITC is currently awaiting feedback/comments in this regard.

(e) Sub-activity: Conformity Assessment Capacities

This activity comprises an analysis of Laos' conformity assessment system and its quality and sanitary and phytosanitary infrastructure (SPS) with recommendations to strengthen the standardization, certification and testing capacities and subsequently implement the priority actions validated with stakeholders.

Methodology and Results:

The team circulated the final report on the conformity assessment to the respective counterparts and conducted the round of online bilateral meetings (FDD, PPC, DOSM³, DOA⁴) to discuss the plan of actions of the technical assistance and capacity building for the recommendations and activities that can be accommodated under the ARISE Plus Lao PDR project and/or the Systematic Mechanism for Safer Trade (SYMST) project also funded by the EU and implemented by ITC.

The main findings of the assessment and the recommendations were shared and presented in different occasions to various stakeholders, such as at the training seminar of the Quality Champions Programme. This enabled to build awareness on the importance of standardization and conformity assessment and collect further inputs to fine tune the proposed plan of action.

Vis-à-vis the following recommendations:

- **Recommendation (No. 2) - Standardization:** TA and sponsorship may be provided to DOSM for participation in International Organization for Standardization (ISO) General Assembly (GA) meetings held once a year to remain updated on ISO future plans and also participate in important technical workshops/meetings held during GA.

³ To be conducted after 4th December 2020.

⁴ To be conducted after 4th December 2020.

- **Progress:** This year the GA in Abu Dhabi was cancelled and a virtual session for ISO members was held on 24 September 2020. ITC followed up with ISO Secretariat and encouraged DOSM to join the online event on 24 September 2020. Further support would be provided in 2021.
- **Recommendation (No. 6) - Training on ISO standards:** Information and Training Centre of DOSM has plans to provide awareness and implementation training on ISO 9001 Quality Management Systems (QMS) to the industry in Lao on regular basis and ARISE Plus may provide support in this area.
 - **Progress:** Introductory training on ISO9001 is part of the Quality Champions (QC) programme (see activity 2.3 and 2.4). DOSM was encouraged to join the QC programme and 2 staff applied and are actively joining the QC programme and following related sessions on ISO standards. Those that successfully complete the introductory part will be invited to join the subsequent in depth training and related enterprise support/pilot applications.
- **Recommendation (No.12) - Accreditation of Food lab:** The laboratory of Food and Drug Department (FDD) of Ministry of Health require technical assistance for extending its accreditation to ISO/IEC 17025 covering all chemical and microbiological parameters for various food matrices.
 - **Progress:** DDG of FDD and ITC confirmed the plan to carry out gap analysis and development of a road map for implementation with respect to the requirements of ISO/IEC 17025:2017; carry out training on implementation of ISO/IEC 17025:2017 and firm up the scope of accreditation depending upon the facilities and human resource available; provide further support for the design and implementation of the lab management system (LMS) for extending scope of accreditation of FDD. All support to be done via off site (online) until travel restrictions persist and the followed with field visit.
- **Recommendation (No.14A) - Training of FDD inspectors:** ARISE Plus was requested to conduct training on Food Safety (GMP, GHP, HACCP etc.) to Food Inspectors (8 persons) of FDD and to coffee collectors and processing plants.
 - **Progress:** An Introductory training on Food Safety is part of the Quality Champions (QC) programme (see 2.4 and 2.5). FDD was encouraged to join the QC programme and 1 staff applied and is actively following the full course including initial sessions on Food Safety. DDG FDD also provided full support to the QC programme. FDD staff that successfully complete the introductory part will be invited to join the subsequent in depth training and related enterprise support. Specific training programme on Food Safety (GMP, GHP, HACCP etc) for FDD Food Inspectors is under development.
- **Recommendation 13: Accreditation of PPC lab –** The Plant Protection Centre (PPC) requires support for accreditation of its laboratories including capacity building on all aspects of accreditation to ISO/IEC 17025 via development of SOPs, method validation, measurement uncertainty, quality assurance of test results and proficiency testing, for which TA may be provided to PPC.
 - **Progress:** PPC Director shared with ITC detailed information on the technical assistance needed related to the determination of quality of pesticides and residues and heavy metals in coffee. The design of the TA and capacity building is ongoing. The initial training on usage of the PPC machine to analysis pesticide residues in fruits and vegetable and training of staff is planned for December under SYMST project. ARISE + would focus on covering support for coffee, while SYMST on Fruits and Vegetables and synergies would be enhanced.

Challenges and adaptations due to COVID-19:

As international travel and gatherings were restricted due to the global COVID-19 pandemic, the discussion with the stakeholders on the implementation of activities was moved online. FDD and PPC confirmed to go ahead with webinars and off site support during the international travel restrictions.

Follow up is done with FDD to provide support for translation and reproduction of Guidelines on COVID-19 for food industry and some related short brochures and posters to raise awareness along with organisation of webinars/radio programmes.

Next steps:

Based on the discussion of the action plan with FDD, PPC and then in December with DOSM and DOA to kick off the implementation of specific technical assistance in the area of testing, inspection and certification.

Support to FDD: in the next 6 months, the focus would be to carry out gap analysis and development of a road map for implementation of the chemical and microbiological laboratory with respect to the requirements of ISO/IEC 17025:2017; carry out training on implementation of ISO/IEC 17025:2017 and firm up the scope of accreditation depending upon the facilities and human resource available (with possible synergies with PPC) and further support for the design and implementation of the lab management system (LMS) for extending scope of accreditation of FDD. Training on Food Safety (GMP, GHP, HACCP etc) for FDD Food Inspectors is planned. Follow up will be done to ensure full participation of FDD staff to the QC programme. Support for the development of COVID-19 related materials for food industry is also planned.

Support to PPC: capacity building will be provided to conduct an evaluation of the PPC labs and develop a road map for accreditation. This will include development of test procedures methods to determine quality of pesticide and heavy metal; development of Standard Operating Procedures (SOP) to analyze the pesticides quality and pesticides analysis residues of coffee, training on Pesticide Quality and Pesticide Residues in coffee with purchasing of consumables for analysis. Consideration would be given to establish twinning and training programmes in closing countries like Thailand or Vietnam. All activities related to PPC are done in synergies and consultation with the SYMST project.

IV. Achievements July to December 2020: Expected Result 2

ER2: Increased awareness on trade preferences for exports, including to the European Union, with greater use of Everything But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA).

Activity 2.1 - Review of export potential and existing trade with the EU and the regional market

This activity was completed in 2019. The findings will be extended through actions in 2020 under activity 2.2.2 and 3.6 - Assessment of the impact of tariff changes on Lao PDR's trade opportunities / Assessment of sectors with investment potential.

The study is available at <https://exportpotential.intracen.org/en/resources/learning/publications>

Activity 2.2 – Awareness raising about EBA Preferences

This activity comprises several sub-activities.

Sub-activity 2.2.1 and 2.2.4 – EU EBA Business Guide and Awareness Raising Campaign for businesses explaining the EBA scheme and findings of the research

Under the scope of ER2, ITC is also undertaking activities to raise awareness of the preferential trading schemes available in the EU, and build up knowledge and understanding of the potential for Lao traders to export to the EU, particularly under the EBA scheme.

Lao PDR currently qualifies for access to the EU market, under the EBA scheme due to its LDC status, thereby enabling traders to export to the EU duty free for all products except for arms and armaments. In the case of graduation from LDC status, the country will lose access to the EBA scheme, but only after three years from graduation. Therefore, even if Lao PDR is on-track to graduate from LDC status in 2024, traders will continue to benefit from EBA access to the EU at least until 2027.

Thereafter, Lao PDR will be able to access the EU market under the Standard GSP scheme, which is applicable to all low and lower-middle income countries, or may wish to negotiate for access under the GSP+ scheme, which is a special incentive arrangement available upon implementation of certain conventions relating to labour, human rights, environmental protection and good governance.

In this context, the following activities are underway:

(a) Sub-activity 2.2.1 – EU EBA Business Guide

The EU EBA Business Guide is a consolidated business guide on Lao PDR's preferential market access to the EU under the Everything But Arms initiative (EBA). The objective of the Guide is to provide a tool from which businesses in Lao PDR are able to understand the conditions for accessing the EU market under the EBA scheme and related opportunities for businesses in Lao PDR, with a view to improving export performance to the EU.

Methodology and Results:

The Guide will comprise of two sections:

- Part I: General Section – The first section details the relevant procedures and steps to export under the scheme, including procedures to follow in Lao PDR to engage in exports, and requirements to enter the EU market under the EBA scheme.
- Part II: Product Specific Section – The second section prioritizes five product sectors, with important export potential the EU, namely agricultural products, processed food products, textiles and garments, footwear, and wood products. For each of these product sectors, the Guide will provide specific information on regulations, requirements and export processes to be complied with (Tariffs/coverage, rules of origin, labelling, maximum residue levels, etc.) in order to place such products on the EU market.

The Guide essentially seeks to address frequently addressed questions arising from the perspective of a trader in Lao PDR. Additionally, the Guide will also provide details of important information sources and platforms, such as the EU Trade Helpdesk and the ITC Standards Map.

The five product sectors mentioned above were determined in consultation with relevant departments in the MoIC, namely the Department of Trade Promotion (DTP), Department of Import and Export (DIMEX), and Department of Industry and Handicraft (DoIH). ITC prepared a proposal identifying the five product sectors and the rationale for inclusion of these product sectors and shared with the abovementioned departments, in July 2020, following which consultations were held with these departments to clarify issues and obtain validation. The proposal was also shared with the Department of SME Promotion (DoSMEP).

The draft Guide is currently undergoing internal reviews and discussions are underway on how to further simplify and present the complex requirements and processes in a manner that is user-friendly and easily accessible for Lao traders. This has led to a delay in delivering the first draft of the Guide to for review to the abovementioned departments, as was initially planned in September 2020. While all the relevant information and guidance is in place, efforts are now focused on framing and structuring the Guide to suit the needs of Lao traders.

Next Steps:

The next steps will be to submit to draft Guide, when ready, to the abovementioned departments for review. The Guide will be finalized based on the feedback and inputs received, and then translated into Lao language.

Thereafter, a series of awareness raising workshops will be delivered, based on the Guide targeting the private sector. (Refer discussion in next section – sub-activity 2.2.4).

(b) Sub-activity 2.2.4 – Awareness raising campaign on the EBA Scheme

ITC is also planning a series of awareness raising activities to increase reach of the use of the EU EBA Business Guide, and build up knowledge and understanding of public and private sector in Lao PDR on the EU preferential trading schemes as a whole, and keep updated on the most recent developments (such as the current revisions being undertaken in the EU to the Standard GSP and GSP+ schemes).

Methodology and Results:

- i. Launch event and Awareness Raising Workshops on the EU EBA Business Guide – The finalized Guide will be presented at a launch event to be organized in Vientiane, followed by 3 to 5 workshops to be organized in selected provinces. The objective of these workshops will be to present the Guide to the private sector, explain the relevance and benefit of the EBA scheme, and undertake a detailed training on how the Guide can be used as a tool to comply with the steps required to export to the EU under the EBA scheme. The Guide will be made available to the participants in English and Lao language, and training will also be provided on the relevant tools available online to assist traders with the export process.
- ii. Other awareness raising activities on the EU preferential trading schemes – This comprises of activities to facilitate understanding and generate dialogue within and between the public and private sectors on issues such as:
 - Relevance of using the EBA scheme to build up Lao PDR's presence in the EU market, and support required by traders to address challenges currently faced in exporting to the EU market;
 - Access to the EU market after LDC graduation and expiry of the transition period – While low and lower-middle income countries will automatically qualify for the Standard GSP, it is not the case for the EU GSP+ scheme which provides additional benefits. Thus, if Lao PDR intends to qualify for EU GSP+, it will be necessary to for the public and private sector to understand how the standard GSP and GSP+ schemes operate, the market access under these schemes, and engage in dialogues in this regard.
 - Ongoing revisions and developments to preferential market access schemes in the EU – The current formulation of the EU Standard GSP and GSP+ is due to expire in 2023, and proposals are to be submitted in 2021 on the new formulations and its application. This will be relevant for Lao PDR, as this is likely to be the formulation that will apply to Lao PDR, if it phases out of the EBA scheme in 2027.

In this context, ITC proposes to undertake activities such as publication of articles in newspapers and Chamber newsletters, development of information clips, and organization of seminars/dialogues

with experts and officials from the public and private sector. The objective is to increase awareness of stakeholders on the access available to the EU market, and thereby (i) encourage Lao traders to export to the EU market; and (ii) empower stakeholders to actively engage in dialogue on such issues by making available up-to-date information and insights.

To this effect, ITC held an initial discussion with the European Chamber of Commerce of Lao PDR (ECCIL) to discuss options for potentially partnering with ITC on some of these awareness raising activities.

Challenges and adaptations due to Covid-19:

International travel restrictions may prevent ITC's Subject Matter Expert from delivering in-person, at the awareness raising workshops on the EU EBA Business to be organized in selected provinces. Therefore, ITC is making preparations to deliver the workshops online, given the current situation and the lack of clarity as to when the international travel will be able to resume as normal. Training online does have its challenges, especially in delivering complex technical content to participants who have had limited exposure to such issues. Further, the scope of internet connectivity in certain provincial regions will also need to be taken into account to determine how best to facilitate such sessions.

ITC is currently working on further refining the structure and presentation of the Guide – to make it as accessible and self-explanatory as possible for the traders in Lao PDR; which, in turn, will hopefully make it easier to present and discuss technical content/information during the awareness raising workshops.

Next Steps:

Awareness raising workshops on the EU EBA Business Guide - As noted above, the initial tentative plan was for the EU EBA Business Guide to be ready to be presented at a launch event and awareness raising workshops in November 2020. However, in light of the current revisions to the Guide, these activities will need to be pushed to early next year. Upon finalization of the Guide, ITC will engage in discussions with the relevant departments in the MoIC, and take the necessary steps to:

- Enable publication of the Guide on the Ministry/Department website(s), and
- Organize the launch event and awareness raising workshops in provinces, determined in consultation with MoIC.

Other awareness raising activities on EU preferential trading schemes –Based on the internal discussions held at ITC, and the meeting with ECCIL, ITC is developing a brief proposal setting out the various activities that can be undertaken over the next year. This will form the basis for further discussions with ECCIL, as well as relevant government stakeholders.

Sub-activity 2.2.5: Organisation of awareness-raising activities for preparation of Lao PDR's graduation from LDC status

As noted in the previous progress report, ITC is proposing to undertake these activities in 2021, given that there would be more clarity on (i) the status of Lao PDR's graduation from LDC status following the 2nd triennial review scheduled to take place in 2021; and (ii) the new formulation of the EU GSP regime for which a proposal is expected to be presented to the European Council and Parliament by mid-2021 (the current framework is set to expire at the end of 2023). The status of these two aspects would be relevant for designing awareness-raising activities for Lao PDR.

The 2nd triennial review is supposed to take place in February 2021, following which decisions can be taken on the next steps in this regard.

Subactivity 2.2.2: Assessment of the impact of tariff changes on Lao PDR's trade opportunities

This activity was completed in August 2020. It aims to identify sectors and products where trade potential at current market access conditions remain unexhausted. Results were matched with a review of utilization rates of existing preferences in the EU at the sector level to infer whether the untapped export potential is associated with a low utilization rate of preferences and thus, whether rules of origin and related processes play a role in the foregone trade opportunities under the EBA scheme.

Methodology and Results:

ITC in consultation with UNDESA and other stakeholders in Lao PDR conducted this assessment over the past months. ITC's export potential methodology was applied in combination with a partial equilibrium model to assess the impact of tariff changes on projected trade.

As a result, it was estimated that Lao PDR could face a trade loss of \$102 million with its envisaged graduation from the status of least developed country (LDC) in 2024, corresponding to 1.2% of its projected exports in that same year. The paper suggests three strategies for Lao exporters to mitigate the trade losses: first, attaining the EU Generalized System of Preferences Plus (GSP+) rather than the standard GSP could reduce the trade loss by 70%. Second, targeted trade promotion to remove market frictions will help sectors that currently do not exhaust their export potential in certain markets – this is the case for rice exports to the EU and food product exports to Japan. Third, export diversification could help focusing resources on alternative products and markets that offer room to increase exports and thereby compensate the graduation-induced losses.

The report is available for download at <https://www.intracen.org/arise-plus-laos/publications/>

Challenges and adaptations due to COVID-19:

The pandemic has worsened the global outlook for GDP and trade with possible impacts on the outcome of LDC graduation and compensation strategies. To provide Lao PDR with robust results, the study was updated based on revised export potential results. This update furthermore included the recently released post-Brexit MFN tariff schedule of the UK.

Next steps:

As the analysis and topic is complex and requires hands-on exercises, normally it would be best to wait until the related capacity building programme under 2.2.3 (Training on export potential analysis and introduction to trade policy modelling) can be delivered in person. However given the ongoing COVID-19 travel restrictions, the team has adapted the training materials and mode of delivery, and is now offering the training online/remotely.

Workshop 1 “Export potential analysis and introduction to trade policy modeling” can be delivered virtually with half day sessions spread over the course of two weeks. This will leave enough room for participants to complete and submit exercises and attend virtual office hours to discuss specific questions that may arise during the workshop.

Workshop 2 require the manipulation of spreadsheets and therefore preferably should be delivered ideally face-to-face.

The implementation arrangements are currently being discussed with DFTP. The tentative dates for the first workshop are 8 to 19 February 2021.

Activity 2.3: Development of awareness raising materials and online tools on EU quality related mandatory market requirements, standards and other market driven requirements for the coffee and wood processing sector and related dissemination.

This activity involves the development of an online tool (so called Lao Quality Compass) displaying requirements in an easy-to-understand manner for priority product-market combinations.

Main activities and results:

- Development of the initial version of the Lao Quality for Trade Platform

- Completion of research of quality requirements (mandatory requirements, standards and quality related market preferences for the first 2 product-market combinations (Lao coffee to Thailand and Vietnam)
- Uploading of selected above research on Lao Quality Compass
- Engagement with LNCCI regarding the implementation of future awareness events

The next steps are as follows: to complete IT developments, to complete research for additional product-market combinations, to prepare and to implement awareness raising initiatives.

Activity 2.4: Development and qualification of pool of national quality champions and sensitization events organized in co-operation with local institutions

This activity is tailored towards individuals who are interested in quality, are working in the wood processing or/and specialty agriculture (e.g. coffee) sectors, and have a keen interest to support Lao business on a long terms basis. These individuals have the opportunity to join a 12 months intensive programme on quality related issues and to become certified *Quality Champions*.

Through an open application process, around 20 candidates were selected. These will become trainers and advisers on quality related issues, on a long-term basis through national institutions. LNCCI is the main focal point for this activity and is supporting the application process and upcoming training sessions.

The main activities and results in the second semester of 2020 encompass the following:

- Quality Champions application and selection process completed, including individual interviews
- 25 Quality Champions (11 women and 14 men) from private and public sectors and with relevant quality related backgrounds confirmed and having signed commitment statements
- Planning and preparation with LNCCI (Quality Champions Programme focal point)
- Design and development of the initial part of the QC programme for Lao PDR
- Three Quality Champions (QC) training workshops completed for the above QCs
 - Workshop 1: 19-23 October 2020
 - Workshop 2: 9-13 November 2020
 - Workshop 3: December 2020 or early January 2021 (*tbc*).

Each workshop featured a mix of international experts and national resources person and covered areas such as international quality requirements, WTO TBT/SPS agreements, conformity assessment, Codex Alimentarius, the national quality infrastructure and related services, EU Traces, the SME quality journey and experience sharing by coffee and processed wood exporters. The details of each workshop is indicated in the corresponding event report.

In terms of challenges, the initial 5 QC workshops had to be broken into smaller parts that could be delivered online taking different time zones into account and also adapted to online format.

The next steps are as follows: to complete the remaining trainings and start the pilot enterprise quality improvement projects (part of the QC qualification).

Activity 2.5 – Development of a practical online export curriculum to support private sector exports

In partnership with LNCCI, ITC is developing an online interactive electronic learning (e-learning) course on cross border procedures to benefit Lao PDR traders. The e-learning course is to support Lao PDR's enterprises to comply with cross-border procedural and regulatory requirements for export transactions, including to the EU and ASEAN markets.

Methodology and Results:

ITC conducted initial discussions with LNCCI, and relevant MoIC departments, namely, DTP, DIMEX and DoIH to introduce the concept of the e-learning course, and broadly discuss the topic/subject matter to be covered in the e-learning course.

The course is primarily intended to benefit Lao traders engaging in exports, and those seeking to engage in export trade. Employees in related businesses can also follow the course in order to increase their knowledge and understanding of engaging in export trade. Additionally, the course may also be beneficial to government officials engaged in export related activities, and for students and academia interested in international trade. Participants seeking to follow the e-learning course can do so, according to their own schedule, on their laptop/mobile device.

During the period covered by this report, the following steps were/are being taken:

- (a) Partnership with LNCCI – The first step was to engage a suitable local partner to work with ITC on the development of the course and ensure sustainability of the course – by transferring ownership of the course so that it continues to remain operational for Lao PDR traders, even after conclusion of the ARISE Plus Lao PDR project. Engaging with the local partner throughout the development phase would (i) ensure that the material developed is in line with the needs of the Lao traders; and (ii) enable transfer of knowledge and learnings throughout the development process, thus making the local partner better equipped to take ownership and continue operation of the e-learning course. During this period, ITC and LNCCI further consolidated the partnership by developing a detailed work-plan and division of responsibilities between the two organisations, and held follow-up discussions on the activities listed out in the detailed work-plan. To this effect, LNCCI has appointed a team (referred to as e-facilitators) to be the focal points for the e-learning course.
- (b) Course Mapping Session – ITC also commenced work on developing the course content for the e-learning course. Based on initial discussions held with government departments and LNCCI in the first half of the year, the e-learning course is to focus on specific export management related issues. An initial course mapping session was conducted with ITC's Subject Matter Expert to discuss the broad issues that will be covered in the e-learning course, and outline the topics to be covered in each module for the course. Broadly, the course will deal with compliance requirements including Laotian national export regulations and requirements in destination markets; packaging and labelling requirements; and transport and logistics issues. The course will provide guidance on the relevant institutions to be engaged, permits/licences required, and procedures to be followed in relation to exports in general, and for target products. At the first course mapping session, the material was organized into 7 modules, essentially forming the skeleton of the e-learning course. ITC's Subject Matter Expert will now build upon this framework through consultations and further research.
- (c) Consultations to build up course material – Following the course mapping session, ITC's Subject Matter Expert is set to engage in a series of consultations with relevant stakeholders in the public and private sectors in order to further identify and understand training needs in relation to the matters discussed above. With regard to:
 - Private sector - Consultations were held with LNCCI in this regard, and LNCCI is also supporting the Expert to reach out to relevant firms including freight forwarders, logistics firms, etc. The objective of these consultations are to understand what information/clarifications are needed in relation to engaging in exports, and the challenges/barriers faced in following relevant processes and regulations in Lao PDR and in relevant destination markets. The course will seek to help address the informational barriers – by guiding exporters through all the relevant steps required to engage in exports.
 - Public sector – ITC's Expert is also reaching out to relevant departments/Ministries in order to understand areas in is poorly complied with by traders, and where there is further training/awareness raising required in order to enable traders to better comply with regulations and effectively engage in exports.
- (d) IT Needs Assessment – ITC will also be undertaking an IT needs assessment in order to understand the capacity of potential beneficiaries of the e-learning course to follow a course online; and

assess how best to design the course accordingly. (For instance, the findings from this assessment will help to assess whether it would be possible to incorporate videos, more interactive elements, etc.).

Upon completing the consultations, ITC will draw out the training needs in light of the areas mentioned above and organize a focus group discussion with LNCCI and relevant government departments (DTP, DIMEX, DoIH and DoSMEP) to discuss the findings. Based on feedback from the focus group discussion, ITC will develop a detailed course curriculum outlining the objective and specific matters to be covered in each module, including possible case studies that be presented and assignments for the module. The detailed course curriculum will be presented to LNCCI and the abovementioned government departments for validation. Upon receiving validation, ITC will undertake further research on the course material, and commence development of the online content. The course will comprise of pre-recorded lecture content, videos, quizzes, and other interactive elements.

The course will also be translated into Lao language in order to broaden its reach.

Furthermore, given that LNCCI will subsequently take ownership of this course – ITC will also be conducting separate sessions LNCCI's e-facilitators to work out relevant technical aspects of the course, including the platform from which to host the e-learning course, the level of tutoring required, and matters related to sustainability of the course.

In order to further strengthen LNCCI's capacity to take ownership of the e-learning course, ITC's Expert will also be conducting a training session for LNCCI's e-facilitators on the subject matter covered in the course. The objective of this training session will be to improve the facilitators' knowledge of the subject matter, and to understand where to search for relevant updates/revisions to procedures/regulations covered – so that the e-learning course will also continue to be updated accordingly. In addition, ITC will produce a training guide in this regard to serve as a reference tool for LNCCI's e-facilitators.

ITC will also support LNCCI will to promote the e-learning course among its membership and stakeholders at large, by supporting development of templates for promotional flyers, etc.

Challenges and adaptations due to Covid-19:

As mentioned in the previous report, the restrictions on international travel will make it challenging for ITC's Subject Matter Expert to reach out to relevant stakeholders in Lao PDR for consultations, and for ITC to work out relevant technical aspects with LNCCI – as all of this will need to be conducted online. In order to facilitate these engagements, ITC will be working with a National Consultant, based in Vientiane, who will foster engagements between LNCCI and ITC, and facilitate the consultations/discussions between ITC's Expert and relevant stakeholders.

Next Steps:

For the period from December 2020 to February 2021, the focus will be on completing the consultations and undertaking the focus group discussions with relevant stakeholders to discuss training needs and validate the course curriculum. During this time, work sessions will be conducted with the LNCCI e-facilitators on matters discussed above,

Thereafter, for the period from March to May 2021, ITC will focus on developing the course material and converting this material into online content; and conducting the relevant training session(s) for LNCCI to prepare it to take ownership of the e-learning course by June 2021.

V. Achievements July to December 2020: Expected Result 3

ER3: Strengthened support services (especially for smallholders and SMEs, with a focus on women), reduction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood processing and agro-based products)

Activity 3.1 - Development of sectoral export strategies to identify supply-side constraints and remedial actions

This activity is composed of two sub-activities:

Sub-activity 3.1.1. Confirm targeted sectors (such as processed-wood and specialty agro-food products)

This activity was completed in 2019; see publication at <https://www.intracen.org/arise-plus-laos/publications/>

The identified priority sectors are coffee and wood processing.

Sub-activity 3.1.2. Develop in a participative approach sectoral export strategies and set-up an implementation monitoring mechanism

This activity aimed to develop (in a participative approach) sector export roadmaps that identify supply-side (production and processing capacity) constraints and remedial actions, to be implemented with support under the project and from other development stakeholders, with a balance of men- and women-led firms.

Both export roadmaps have been finalised and are currently being prepared by DTP and DoIH for submission to the Minister for final approval and launch of the export roadmaps for the coffee and wood processing sectors.

Priority sector: Coffee

Challenges and adaptations due to COVID-19:

In order to take into account the changes the coffee sector is experiencing due to the global COVID-19 pandemic, the ITC team contacted sector associations and individual private sector representatives in order to assess the impact.

The ITC team helped with analysing the data emerging from the assessment and elaborated meaningful recommendations on how to weather the impact of COVID-19 on MSME, in particular for the coffee sector. These findings of the COVID-19 specific assessment informed the ARISE Plus Lao PDR project overall, and fed into the respective sector export roadmaps.

The findings from this assessment are available at [Lao coffee COVID-19 assessment final.pdf \(intracen.org\)](#)

Next steps:

Once the coffee export roadmap was approved by the Minister, the potential launch event of the roadmap will be led by MOIC, following advisory support from DTP on implementation management, attended by the participants of the consultations, including MAF and the DoA.

Priority sector: Wood processing

Challenges and adaptations due to COVID-19:

In order to take into account the changes the wood processing sector is experiencing due to the global COVID-19 pandemic, the ITC team contacted sector associations and individual private sector representatives in order to assess the impact. For the wood processing sector, the survey was conducted in June

2020 amongst the same respondents who participated in the SME competitiveness survey (SMECS) carried out in February 2020.

The ITC team helped with analysing the data emerging from the assessment and elaborated meaningful recommendations on how to weather the impact of COVID-19 on MSME, in particular for the wood processing sector. These findings of the COVID-19 specific assessment are informing the ARISE Plus Lao PDR project overall, and fed into the respective sector export roadmaps.

The findings from this assessment are available at [Lao wood processing COVID-19 assessment_FINAL.pdf \(intracen.org\)](#)

Next steps:

Once the wood processing export roadmap was approved by the Minister, the potential launch event of the roadmap will be led by MOIC, following advisory support from DoIH on implementation management, attended by the participants of the consultations, including MAF and the DoF.

Activity 3.2 - Review of quality and availability of statistical data (trade and investment statistics, including gender indicators) and work with the relevant authorities (e.g. MOIC ICT) to strengthen data collection and statistical production capacities.

This activity aims to train government officials from the customs, Lao Statistics Bureau and other departments and institutions on: the basics of R programming applied to raw customs data; trade data characteristics and quality checks; various indices that can be computed in the field of international trade. The upcoming training will include a lecture on concepts and methodology, practical exercises related to the topic with real life examples, and a final exercise at the end of the training to evaluate participants. This training aims to improve knowledge of participants on MS Excel, to acquire knowledge of data science to improve data quality, and to prepare efficiently synthetic reports with large sets of information.

The selection of about 20 participants is based on professional duties, e.g. manipulation of trade in goods data and those working with statistical software.

Challenges and adaptations due to COVID-19:

A first successful training was organized in November 2019 and a subsequent training was scheduled for March 2020. However, due to the ongoing COVID-19 travel restriction, an online training is now being developed in order to deliver the next training in February 2021 (tentative). It will be possible to deliver this training remotely, assuming that all participants will have access to the same excel version, and that a good internet bandwidth is available.

The option of hiring a local facilitator that has adequate technical skills is also being explored, in order to liaise between the international experts online and the participants of the training (e.g. university student/lecturer).

Next steps:

Currently a survey on technical aspects, which need to be in place for the training to take place remotely, is being drafted. Once shared with stakeholders, it will allow auditing training participants work practices and respective needs in hardware and software. Once validated, it will be sent to potential participants, including those who attended the first training in 2019.

Teaching material is being updated and will be translated into Lao language before the training. If necessary, licenses need to be purchased (possibly for hardware).

A potential facilitator who can support the training on the ground needs to be identified.

Activity 3.3: Promotion of predictable legal timber supply to incentivize sustainable land management and establish a clear rule set

This activity aims to support SMEs to increase their competitiveness in the wood processing sector. It focuses on providing technical training in the marketing of wood products regionally and internationally. Specific focus will be provided on EU market requirements.

During the inception phase (up to July 2020), the technical team provided support to the wood processing export roadmap process and formulation, providing guidance on the main constraints facing the sector, opportunities to build capacity and key institutions with whom to work. The team also undertook consultations with the sector to prepare a work plan for 2.5 years to build the sector's capacity.

However, once the COVID-19 restrictions were put in place, the work plan was put on hold. In August the team began planning to roll out the training despite the restrictions being in place. There is now a work plan in place for Q1 2021 to begin capacity building with the sector.

Currently three training sessions are envisaged starting in February 2021, followed by a needs assessment of SME for the next phase. The first training session will focus on international marketing of wood products, whereas the second one will focus on sustainable management and supply.

Two experts who both have in depth knowledge on the Lao forestry and wood processing sector have been identified who will deliver the trainings.

Activity 3.4 Technical assistance to SMEs in targeted sectors to enhance production and develop market linkages with regional and European markets, including trade fair participation, market missions and B2B activities

This activity supports SMEs to improve market linkages for SMEs in specialty agri-food products with a special focus on coffee. It will provide technical training on the marketing of agri-food products regionally and internationally.

During the inception phase (up to July 2020), the technical team provided support to the coffee export roadmap formulation, providing guidance on the main constraints facing the sector, opportunities to build capacity and key institutions with whom to work. Particular focus was placed on developing the capacity of the coffee sector to develop organic/fair trade certification and develop international markets. The team undertook consultations to prepare a work plan for 2.5 years to build market linkages. Due to COVID-19 restrictions, the work plan was put on hold.

The planning of this activities will begin in January as the capacity building for sustainability certification begin in partnership with LNCCI (Activity 3.7).

Activity 3.5: Implementation and roll out of practical/hands on training and advisory support services in quality management to enterprises aimed at complying with specific quality requirements of destination markets. This support will be largely implemented by the Quality Champions in cooperation with local partner institutions

Next steps: This activity will start in Q1 of 2021.

Beneficiary enterprises will be selected and matched with Quality Champions (see Activity 2.4).

Activity 3.6 – Investment Promotion in the Targeted Sectors

Sub-Activity – Investment potential analysis

ITC is developing an assessment of investment opportunities at the product level through different trade- and tariff-related indicators (export growth potential, market access). The aim is to identify investment opportunities by product and country of origin for the project's priority sectors, coffee and processed wood. It will distinguish different motives for investment, such as export growth potential and market access; trade data can provide information on key motivations of foreign direct investment.

Results will be summarized in an investment potential brief for the use of investment promotion actors in Lao PDR that will feed into the investment profiles (see below). Latest GDP data and export potential projections are incorporated into the calculations.

The Investment potential analysis ("Leveraging export potential and tariff advantages to attract foreign direct investment into Lao PDR's wood processing and coffee sectors") has been drafted, awaiting the results of the Investment Profiles to be finalized (recommendations require information about the regulatory framework in Lao PDR that will be analysed in the Investment Profiles). The results could be presented virtually in Q1 or Q2 2021.

Sub-Activity – Investment Profiles

In addition, ITC is developing two investment profiles for the Coffee and Wood Processing sectors in Lao PDR. For each of these sectors, ITC will develop a Profile (25 – 30 pages), and a summary brochure (approximately 4 pages).

The objective of the investment profiles is to enable foreign investors to identify investment opportunities, understand the investment climate, and obtain access to the latest research and market insights; and function as a tool for public and private representatives to promote investment within the target sectors of the Lao PDR economy.

Methodology and Results:

The Investment Profiles are based on an in-depth review of the relevant legislation, regulations, policy documents and studies, and bilateral consultations. More specifically, consultations were undertaken with public sector stakeholders including DTP, DoH, Customs Department, Investment Promotion Department, and Department of Forestry; as well as private sector stakeholders including relevant business chambers, the Lao Coffee Association, Wood Processing Association, and the Lao Furniture Association.

The first drafts of the Profiles were internally reviewed and are currently being revised based on the feedback received. The Profiles comprise of a:

- Country analysis – This section presents key elements highlighting Lao PDR as a solid investment destination in the context of natural resources and climatic conditions, labour availability, connectivity to regional and global markets, and economic status. The section also comprises an assessment of Lao PDR's business environment which includes a discussion of the investment related laws and incentives; banking and tax regulations; logistics and connectivity; and relevant support services.
- Sector-specific analysis – This section presents an insight into the current operation status of the specific sector in Lao PDR; relevant issues in terms of investments/engaging in the sectors, and policy measures implemented; the segments of the value-chain of priority for Lao PDR; and potential investment opportunities along the value-chain.

In addition, the Profiles also comprises an overview of the legal requirements to be met in order to invest in Lao PDR; a guide on the procedures to be followed to set up a business and invest in Lao PDR; and details of trade and support institutions active in the relevant sectors.

The Profiles are essentially an opportunity for an investor to undertake an initial due diligence into the sector.

Further, the Coffee and Wood Sector Export Roadmaps already developed under the ARISE Plus Lao PDR project were also consulted in the development of the Profiles, in order to ensure that the strategies presented are complementary and well aligned.

Next Steps:

The draft Profiles will be submitted to DTP and DoIH for review, upon completion of internal reviews and revisions. The Profiles will be revised, based on feedback received, and then presented at a PPD comprising of stakeholders from public and private sectors, international organizations and academia. Thereafter, the Profiles will be finalized based on input from the PPD and any follow-up consultations; and the summary brochures will be produced.

Subsequently, ITC will also commence discussions with MoIC on developing two more Investment Profiles, and engage in consultations to identify two sectors to be prioritized for these profiles. Upon identification of the sectors, ITC will commence development of the two additional Investment Profiles.

Activity 3.7 Promote increased adoption of environmental and social standards to SMEs in targeted sectors

This activity supports SMEs to increase their competitiveness in specialty agri-food products with a special focus on coffee. It will provide technical training in the marketing of agri-food products regionally and internationally. Specific focus will be provided on EU market requirements.

During the inception phase (up to July 2020), the technical team provided support to the coffee export roadmap formulation, providing guidance on the role of sustainability standards in market development. Particular focus was placed on developing the capacity of the coffee sector to develop organic/fair trade certification and develop international markets. The team undertook consultations to prepare a work plan for 2.5 years to build market linkages.

Due to COVID-19 restrictions, the work plan was put on hold. In August the work began to plan for training under despite travel restrictions. This planning is now complete and training will begin in January 2021 in partnership with LNCCI.

The following sub-activities are envisaged: 1) Awareness raising event for SMEs, 2) Training of Trainers for local experts in Laos (online), 3) Individual coaching of SMEs, 4) Identifying potential funding opportunities and connecting SMEs to financiers, 5) Closing event to finish off the implementation of the module. These sub-activities will be delivered in close collaboration with LNCCI and the ITC Trade for Sustainable Development Team (T4SD).

VI. Cross-cutting activities

During the second half of 2020, several activities directly related to the project coordination component of the project were undertaken and successfully accomplished.

- **Participation in informal TPSWG meetings**

The Senior Programme Coordinator participated in the formal meeting of the Trade and Private Sector Working Group in July 2020, highlighting ITC's global efforts responding to the COVID-19 pandemic and the ongoing efforts supporting GoL, in particular MoIC and LNCCI.

- **Meetings with other project representatives to ensure coherence in Lao PDR**

A series of meetings with representatives from projects also currently implemented in the trade and private sector in Lao PDR were conducted in order to identify synergies, collaboration and to avoid possible overlap of individual activities. Among others meetings were held with representatives from the German development cooperation (GIZ) in particular RELATED, COMPETE, and ProFLEGT project directors, the USAID funded LBE project, and the World Bank lead LCT project.

Furthermore a series of meetings and exchanges with representatives from the European Chamber of Commerce (ECCIL) and the Australian Chamber of Commerce (AustCham) related to COVID-19 and beyond took place throughout the second half of 2020.

- **#OneITC approach**

The ARISE Plus Lao PDR team is in close contact with the other ITC implemented projects in Lao PDR, namely the Systematic Mechanism for Safer Trade (SYMST) and the Trade for Development (T4SD) Hub at LNCCI. This close collaboration enables to identify synergies and adapt a coherent approach most suitable to the Lao context. In addition, the ARISE Plus team facilitated contacts between LNCCI and the ITC Research and Strategies for Export (RSE) team, which is tasked with the design and implementation of the SME Competitiveness Survey.

- **ARISE Plus and ITC**

The ARISE Plus Lao PDR project is participating to the ARISE Plus regional coordination efforts. Information and experience sharing with the other ARISE Plus project managed by ITC – ARISE Plus Myanmar – is also ongoing. Another ARISE Plus project – ARISE Plus Thailand – will be launched soon with ITC as the implementing partner.

- **Participation and active engagement in the UN Country Team and UN COVID-19 response efforts.**

The ARISE Plus Lao PDR representative participated in almost all UN Country Team meetings in order to closely follow and coordinate the different COVID-19 responses in Lao PDR and to further enhance synergies between efforts led by other UN agencies in country.

Among others, various contributions were made to the UN Socio Economic Response Framework and Programme, with a particular focus on private sector development.

Furthermore, the two sectoral COVID-19 impact assessments for the coffee and wood processing sectors and bilateral discussions with the consulting team contributed to the overall UN Socio Economic Impact assessment, led by UNDP.

Responding to a request from Ministry of Planning and Investment to UNRCO for a multi-stakeholder taskforce for the recalibration of the 9th National Socio Economic Development Plan (NSED) responding to COVID-19, the Senior Programme Coordinator actively participated in the discussions and drafted the background paper for the group on trade, private sector, and value chains. In addition to the background paper, two presentations to key stakeholders were prepared in close collaboration with MoIC.



Source: UNRCO, UN75 anniversary (including H.E. Ms. Khemmani Pholsena & UNCT, including ITC)

VII. Communication and visibility

The implementation of the Communication and Visibility plan has further advanced with:

- the launch of a dedicated project website: [ARISE Plus in the Lao People's Democratic Republic \(intracen.org\)](http://intracen.org);
 - the launch of a dedicated facebook group: ARISE Plus, the Lao People's Democratic Republic
 - the recruiting of a national communications consultant;
 - the launch of a project communication working group;
 - the draft of a customized communication strategy;
 - the regular updates to the project flyer and its translation in Laotian;
 - the regular updates of the flyers of the different components.
- **Project flyer**
The project flyer has been continuously updated and was shared with participants of all meetings over the past six months, including at the stakeholder consultations, during bilateral meetings, with participants of the 2nd PRC meeting and other. The Project flyer aims to communicate in a concise manner the overall and specific objectives, as well as the expected results of the project. Some of the key activities are highlighted. Contact details of the project coordination team in ITC HQ and Vientiane have been added in order to facilitate communication.
 - **Project Powerpoint presentation**
A series of project ppts were delivered at the various meetings over the past six months, including adaptations depending on the respective activity beneficiaries (e.g. Quality Champions Training, conformity assessment consultations). This served to ensure common communication messages are delivered by all project partners and received by project beneficiaries.
 - **The ARISE Plus Lao PDR project website is now online.**
All events, publications, and other relevant news are being promoted at [ARISE Plus in the Lao People's Democratic Republic \(intracen.org\)](http://intracen.org)
A dedicated COVID-19 response page, referring to relevant efforts and publications has been added.
 - **Communication consultant**
The recruitment process for a national communication consultant has been successfully completed. The individual will join the team early next year, supporting the overall project with strategic engagements via different media channels, including social media, Lao newspapers, etc.

- **Communication working group**

A communication working group was set up, with the aim of operationalizing the communication plan of the project; and ensuring that the communication activities are implemented in line with the communication strategies and visibility plan. Initial meetings were organized in September / October, with the participation of the European Union Delegation to Lao PDR, and the UN Resident Coordinator Office. A timeline clearly identifying the next communication activities to be implemented will now be prepared. The communication working group will be involved in this implementation.

- **Social media**

The Facebook account of the ARISE Plus Lao PDR project has been launched. It will soon be supported among others by the communication consultant.

In addition, the LinkedIn accounts of key ARISE Plus Lao PDR team members have been used to communicate key outcomes of the project, which resulted in approx. 1440+ post views and related online engagements.

- **Attendance in meetings**

The ARISE Plus team members have been engaging with a series of key stakeholders working in the trade and private sector in Lao PDR. Among others the co-chairs of the Trade and Private Sector Working Group, EU and Australia, the UN Country Team members, including UNRCO, UNDP, UNCTAD, WB and others such as GIZ, AFD, ProFLEGT, EFI.

ITC has been participating in the joint communication efforts of the UN Country Team in Lao PDR (e.g. UN75 anniversary).

- **Media monitoring**

Below is a list of the different publication related to the ARISE Plus project:

- **16 Jul 2020 – 2nd Project Review Committee – ARISE Plus Lao PDR**

- https://www.facebook.com/pg/t4dlaos/photos/?tab=album&album_id=3283200608411010
- <http://www.t4dlaos.org/2020/07/17/the-second-project-review-committee-meeting-for-arise-plus-lao-pdr-project/>
- <https://eccil.org/news/arise-plus-project-2nd-project-review-committee-meeting/>

- **03 September 2020 – Laos to lose favourable trading status after LDC graduation – reference to the 'Trade implications of Lao PDR graduation from LDC status' study ([Publications intracen.org](#))**

- http://www.vientianetimes.org.la/freeContent/FreeContent_Laost171.php
- <https://www.phnompenhpost.com/business/laos-lose-favourable-trading-status>

- **23 Oct 2020 – Laos launches Quality Champions programme – ARISE + Lao PDR**

- Laos launches Quality Champions programme_Vientiane Newspaper on 23 Oct 2020
- <https://www.intracen.org/arise-plus-loas/Upcoming-activities/>
- <https://www.facebook.com/photo.php?fbid=10158943974128185&set=pcb.630773031134806&type=3&theater&ifg=1>

VIII. Conclusion: challenges and next steps - reflecting upon the second half of 2020

Project implementation during the second half of 2020 continued to be disturbed by the outbreak of COVID-19. The challenges linked to COVID-19 cannot be considered as a mere parenthesis into the project's lifespan anymore; but rather need to be accepted as conditions which are real and a long-lasting "new normal". When the work plan for the second half of 2020 was presented, it was still expected that travel would be permitted and that highly technical events that require face-to-face interactions (such as workshop on trade policy modelling or data processing) could happen on-site. This expectation is no longer valid, and the project has to think of its implementation pace in a mode that respects the conditions in-country (e.g. meeting allowed) and internationally (e.g. no international travel allowed). Reflections about the long-term adaptation of the project can be launched at two levels: at the micro level, focussing on single activities; at the meso level, on project management; and at the macro level, re. interactions, coordination and partnerships.

Activity-wise, in the second half of 2020, the project successfully organized its first training series in a 'hybrid' form, meaning face-to-face for participants in Lao PDR and the team of trainers joining remotely via Zoom: the Quality Champions, workshops 1 and 2. After the workshops, an evaluation was conducted in order to assess this form of delivery. The feedback was very carefully analysed, in order to improve the training experience for participants and share lessons learned with other ARISE Plus Lao PDR team members. This approach allowed to establish a coordinated and performing approach regarding the organization of online training seminars. The results of the evaluation showed that the delivery mode has only marginally affected the overall experience of participants. Once some logistical details were cleared (well performing video conference and sound system in place) and clearly defined role of each key stakeholder (e.g. the role of the facilitator, present in the meeting room with participants; the role of the trainers; the organization of working groups and discussions; etc.), the workshop was rated as a "normal" workshop.

These lessons show that most of the training activities planned under the project could be implemented in the same format. More technical workshops are now being planned in a 'hybrid' format, with some specificities (e.g. undertaking an ex-ante survey in order to assess the hardware material of participants, their expectations, etc.). This result confirms the e-readiness of project stakeholders and beneficiaries that was already highlighted in the progress report of PRC n.2 (July 2020). No "online fatigue" has been observed so far from project participants, which would impede or affect the absorption of concepts in trainings. Yet there is the hope that face-to-face interactions will be possible in 2021, in order not to overlook a human aspect of project activities.

At the level of the project management, the pace of activity implementation has been sustained throughout the second semester of 2020. But the online mode somehow facilitated some aspects; for instance, easing the habit of discussing online, through formal and informal interactions. The difference between the activity delivery rate and the budget delivery rate, has faded a little bit, but is still very dependent on the nature of activities. The overall impact of COVID-19 on the project lifespan still needs to be carefully monitored.

Finally, at a more macro level, the need for coordination, partnerships and an enhanced attention to cross-cutting issues is still crucial. Development partners and stakeholders in the different governmental institutions have all taken on board an increased need for dialogue and avoidance of overlap. The production of several UNCT-led framework documents or processes (such as the Socio-Economic Response Framework, the Common Country Assessment), the consultation on Government-led mechanisms (e.g. the NSEDP), and the usual consultations with project partners (e.g. Ministries and Departments outside MoIC) were considered by all stakeholders as key. As a result, the rhythm of meetings, preparation of inputs, formal and informal consultations, was very high. While this is not entirely due to the COVID-19 outbreak, this context also needs to be carefully monitored as it should be kept within the limits of an efficient project implementation.

Other challenges (COVID-19 or non-COVID-19 related) may arise during the discussion of the PRC meeting. The tentative work plan for January to July 2021 is in the ANNEX of this progress report. It will be discussed during the PRC meeting, scheduled for Thursday, 10 December 2020.

IX. ANNEX: Work Plan ARISE Plus Lao PDR – January to December 2021

ER 1. Increased regional economic integration by addressing specific constraints in targeted sectors through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement (ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025
MoIC focal point for ER1: DIMEX

LAO PDR ARISE PLUS PROJECT JANUARY - DECEMBER 2021

Activities	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
ER 1. Increased regional economic integration by addressing specific constraints in targeted sectors through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement (ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025												
Activity 1.1 Gap analysis of ATIGA implementation in Lao PDR												
Task 4: Revise and submit second draft of ATIGA gap analysis - based on feedback received from ITC and MoIC												
Task 5: Workshop to discuss the ATIGA gap analysis (and executable roadmap - refer 1.2) - To be delivered online												
Task 6: Finalization of the ATIGA Gap analysis (including the executable roadmap - refer 1.2), incorporating feedback from workshop and any follow-up consultations												
1.2. Review of the gap analysis results with GoL and the private sector and agree specific trade measures to be addressed (with a focus on targeted sectors).												
Task 1: Draft and submit executable roadmap (corresponding with the second draft of the ATIGA gap analysis)												
Task 2: Undertake discussions and develop structure for a monitoring mechanism												
Task3: Presentation of the executable roadmap, and monitoring mechanism - at the ATIGA workshop Refer 1.1 (To be delivered online)												
Task 4: Finalization and adoption of the executable roadmap, and monitoring mechanism set in place.												
Task 5: Organization of first bi-annual monitoring meeting to monitor progress (TBC)												
Activity 1.3. Technical assistance and capacity building in the area of policy definition, regulations and procedures, product and environmental standard adoption and conformity assessment capacities												
Sub-activity: Lao PDR's Foreign Trade Negotiations Roadmap												
Task 4: Revised and submit the second draft of the Lao PDR Foreign Trade Negotiations Roadmap - based on feedback received from ITC and MoIC (Ongoing)												
Task 5: Validation workshop to present findings of the Roadmap (To be conducted online)												
Task 6: Finalization of the Foreign Trade Negotiations Roadmap, incorporating feedback from workshop, and any follow-up consultations												

Sub-activity: Targeted training programme for trade policy makers - Principles and Utilization of Multilateral and Regional Trading Arrangements	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Phase 1 - Training of Trainers on 'Principles and Utilization of Multilateral and Regional Trading Arrangements'												
Task 2: Develop and submit course curriculum for the Phase 1 training for review and finalize based on comments (Ongoing - to be completed in December 2020)												
Task 3: Develop and submit course materials for the Phase 1 training (Ongoing - to be completed in December 2020)												
Task 4: Delivery of Phase 1 of training (To delivered from Dec 2020 - Jan 2021 - Sessions conducted online)												
Phase 2: Practical Training for Selected Trainers on undertaking trainings on related subject matter												
Task 5: Undertake Phase 2 of the training - engagement with selected ERIIT trainers (in preparation for Phase 3 training)												
Task 6: Develop and submit course curriculum for Phase 3 training (capacity building workshops for the central and provincial trade officers)												
Task 7: Develop and submit course materials for Phase 3 training												
Phase 3: Capacity Building Workshops for Central and Provincial Trade Officers on 'Best Practices for Utilization of the multilateral and regional trading arrangements'												
Task 8: Delivery of Phase 3 - 2 capacity building workshops in selected locations												
Sub-activity: Regulatory Assessment for Selected Services - Transport and Tourism Sectors												
Phase 1: Regulatory assessment for transport services sectors												
Task 1: Undertake desk research (to identify relevant legislation, regulations, institutional frameworks, policy measures); and develop/refine questionnaires based on objectives of the regulatory assessment												
Task 2: Undertake stakeholder consultations, guided by questionnaires												
Task 3: Produce and submit first draft of the regulatory assessment for the transport services sector for review												
Task 4: Revise and submit second draft of the regulatory assessment, based on feedback received from ITC and MoIC												
Task 5: PPD to present and discuss findings of the regulatory assessment for the transport services sector												
Task 6: Finalization of the regulatory assessment, incorporating feedback from the PPD and any follow-up consultations												
Task 7: Advisory sessions() with TiS division of DFTP (based on demand) - to discuss way forward for reforms												

Phase 2: Regulatory assessment for tourism services sectors	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Task 1: Undertake desk research (to identify relevant legislation, regulations, institutional frameworks, policy measures); and develop/refine questionnaires based on objectives of the regulatory assessment												
Task 2: Undertake stakeholder consultations, guided by questionnaires												
Task 3: Produce and submit first draft of the regulatory assessment for the tourism services sector for review												
Task 4: Revise and submit second draft of the regulatory assessment, based on feedback received from ITC and MoIC												
Task 5: PPD to present and discuss findings of the regulatory assessment for the tourism services sector												
Task 6: Finalization of the regulatory assessment, incorporating feedback from the PPD and any follow-up consultations												
Task 7: Advisory session(s) with TiS division of DFTP (based on demand) - to discuss way forward for reforms												
Sub-activity: Other Services Trade Support (TBC)												
Task 1: Discussion on concept note and other potential support/capacity building activities for services trade in Lao PDR												
Concept Note has been shared with DFTP - further discussions to be held on proposed activities (To be rolled out across 2021 and 2022)												
Sub-activity: E-Commerce Regulatory Support (TBC)												
Task 1: Discussion on concept note and potential support activities on e-commerce for Lao PDR												
Concept Note has been shared with DFTP - and awaiting on input on proposed activities (To be rolled out across 2021 and 2022)												
Sub-activity: Technical Assistance Projects (possibly 2 projects) - Based on reforms identified in the ATIGA Gap Analysis (To be decided upon finalization of the study)												
Task 1: Develop concept note on potential support/technical assistance under the scope of the ARISE Plus Lao PDR project; and engage in discussions with MoIC on implementation of these activities												
Next Steps to be confirmed after completion of Task 1												

Sub-activity: Conformity Assessment Capacities	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Task 1 - Technical assistance to the Enquiry Point on Technical Barriers to Trade (TBT)												
Task 2 - Support to DOSM/DOA in the area of standardization (i.e. participation to ISO GA, support in development and promotion, review of coffee standards, policy and SOP in support of crop national standards, Organic and GAP certification)												
Task 3 - Training on ISO Standards (link to activities 2.4 and 2.5)												
Task 4 - Training and capacity building of DOSM to provide ISO System Certification Services as certification body												
Task 5 - Gap assessment and support to strengthen food testing laboratories towards a path for ISO 17025 accreditation (link with SYMST project)												
Task 6 - Training of FDD inspectors on GHP, GMP, HACCP (hygiene and food safety) (link to activities 2.4 and 2.5)												
Task 7 - Development of awareness material on hygiene - food safety also linked to COVID-19												

ER 2. Increased awareness on trade preferences for exports, including to the European Union, with greater use of Every-thing But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA)
 - MoIC focal point for ER 2: DFTP

ER 2. Increased awareness on trade preferences for exports, including to the European Union, with greater use of Every-thing But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA)	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Activity 2.1 Review of export potential and existing trade with the EU and the regional market												
completed												
Activity 2.2. Awareness raising about EBA preferences												
Sub-activity 2.2.1 EBA business guide												
Task 3: Revision and submission of second draft of EBA Business Guide, based on feedback/comments received from ITC and MoIC												
Task 4: Publication and dissemination of the EBA Business Guide (in English and Lao language), inclusive of a launch event.												
Sub-activity 2.2.2 Background study: analysis of current and future potential exports to the EU and regional markets to enable Lao to take informed trade policy decisions (e.g. graduation from LDC status)												
Dissemination of the results of the study												
Sub-activity 2.2.3 Capacity-building for officials												
Task 1: organization of a 1st workshop: Export potential analysis and introduction to trade policy modelling												
Task 2: organization of a 2nd workshop: Advanced trade policy modeling												
Sub-activity 2.2.4 Organisation of awareness raising campaign for businesses presenting and explaining the EBA scheme and findings of the foregone research												
Awareness Raising of the EBA Business Guide												
Task 1: Launch event organized on the EBA Business Guide												
Task 2: Recycling the Guide into sensitization/training materials												
Task 3: Organize 3 - 5 sensitization/training workshops for businesses, in selected locations around Lao PDR												
Awareness Raising on EU Preferential Trading Schemes - and accessing the EU Market												
Task 1: Develop concept note on potential awareness raising activities in the form of (a) Media Engagements; (b) Targeted Dialogues/Seminars, and discuss with relevant stakeholders												
Next steps will be planned out based on relevant discussions (To be rolled out across 2021)												
2.2.5 Organisation of awareness-raising activities for the preparation of Lao PDR's graduation from LDC status												
Task 1: Develop concept note on potential awareness raising activities based on needs/requirements of relevant stakeholders in Lao PDR (Following 2nd triennial review in Feb 2021); and engage in discussions with relevant stakeholders												
Next steps will be planned out based on relevant discussions												

Activity 2.3. Development of awareness raising materials and tools on EU quality-related mandatory and market based requirements including voluntary industrial standards for the priority sectors	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Task 1: Research, mapping, development and preparation of technical materials and online tools												
Task 2: Review, pilot testing, dissemination and outreach activities												
Activity 2.4 Development of a pool of national Quality Champions and sensitization events organised in cooperation with local institutions												
Task 1: Development and qualification of above Quality Champions												
Task 2: Implementaion of sensitization initiatives												
2.5 Development of a practical online export curriculum to support private sector exports												
Task 2: Undertake initial research and consultations on training needs and develop course structure (Ongoing)												
Task 3: Develop, submit and agree upon the detailed curriculum structure - validation from LNCCI and MoIC departments												
Task 4: Produce course material and submit for validation from LNCCI and MoIC departments												
Task 5: Convert course material into online interactive sessions (in English language)												
Task 6: Translation of course content into Lao language - and online content developed in Lao language												
Task 7: Training/Capacity building sessions for local partner undertaken												
Task 8: Launch of the E-Learning Course												

ER 3. Strengthened support services (especially for smallholders and SMEs, with a focus on women), reduction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood processing and agro-based products)

Main focal point for ER 3: DTP

ER 3. Strengthened support services (especially for smallholders and SMEs, with a focus on women), reduction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood processing and agro-based products)	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Activity 3.1. Development of sectoral export strategies to identify supply-side constraints and remedial actions												
Sub-activity 3.1.1. Confirm targeted sectors (such as processed-wood and specialty agro-food products) during the inception phase												
completed												
Sub-activity 3.1.2. Develop in a participative approach sectoral export strategies and set-up an implementation monitoring mechanism												
Consolidate and finalize sector strategies for selected priority sectors, incorporating feedback resulting from the second consultation (editing + translation + layout)												
Organise a Launching event for official endorsement of sector strategies												
Initiate sector-level implementation management: Establish and operationalise Sector-level coordinating structures to lead the implementation of the sectors' strategies and their action plans												
Support relevant stakeholders with capacity-building trainings, direct support and tools on strategy implementation management techniques and resource mobilisation												
Support private sector efforts towards production and export of specialty grade coffee, including ongoing activities aiming at overall improvement of Lao coffee quality												
Activity 3.2. Review of quality and availability of statistical data (trade and investment statistics, including gender indicators) and work with the relevant authorities (e.g. MOIC ICT) to strength-en data collection and statistical production capacities.												
Online advanced training on MS-Excel												
Activity 3.3. Promotion of predictable legal timber supply to incentivise sustainable land management and establish a clear rule set												
Sub activity 3.3.1 Online training of SME on international marketing of wood products												
Sub activity 3.3.2 Online training of SME on sustainable management and supply												
Activity 3.4. Technical assistance to SMEs in targeted sectors to enhance production and develop market linkages with regional and European markets, including trade fair participation, market missions and B2B activities												
Sub activity 3.4.1 Design and identification of SMEs to receive market linkage support												
Sub activity 3.4.1 Preparation and participation in market linkage activity (e.g. partnerships, trade fairs)												

Activity 3.5 National training and advisory support capacities in quality management	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Task 1: Implementation of first round of quality improvement projects in enterprises (by the Quality Champions developed under 2.4) aimed at meeting the required quality related market requirements of the target markets												
Task 2: Anchoring of new services in LNCCI, development of sustainable business model & initiate second round of enterprise support												
Activity 3.6. Investment promotion in the targeted sectors												
Sub-activity - Investment Profiles for Selected Sectors												
Investment Profiles - For Wood and Coffee Sectors in Lao PDR (Ongoing)												
Task 3: Revise and submit second drafts of the two Investment Profiles based on feedback/comments from ITC and MoIC												
Task 4: PPDs (2) to present the Investment Profiles and invite feedback/comments from broad range of stakeholders												
Task 5: Finalization of content of Investment Profiles, based on feedback received from PPD and any follow-up consultations												
Task 6: Produce and submit summary brochure (4 page) for each Profile, reviewed and finalized												
Task 7: Finalization of the Investment Profiles and Summary Brochures - Edited and formatted for dissemination												
Investment Profile - For another 2 sectors (TBC)												
Task 1: Undertake consultations to identify two other priority sectors for GoL - to develop an Investment Profile												
Task 2: Conduct interviews and detailed research to develop country and sector specific analysis with recommendations for most bankable investment opportunities												
Task 3: Produce and submit first drafts of the Investment Profiles												
Activity 3.7 Promote increased adoption of environmental and social standards to SMEs in targeted sectors												
Task 1: Awareness raising event for SMEs												
Task 2: Training of Trainers for local experts in Laos (online)												
Task 3: Individual coaching of SMEs												
Task 4: Identifying potential funding opportunities and connecting SMEs to financiers												
Task 5: Closing event to finish off the implementation of the module												